

INSIDE:

THE DEBATE OVER JESUS AND SEX



Maclean's

AUGUST 15, 1988

CANADA'S WEEKLY NEWSMAGAZINE

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BEYOND REACH



Why Skyrocketing
Prices Are Turning The
Dream Of Home Ownership
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AUGUST 16, 1989, VOL. 161 NO. 34

COVER

Beyond reach

In Canada's major cities, would-be home-owners are finding it increasingly hard, if not almost impossible, to purchase their first home. And without a major consensus slowdown to bring prices down—and forecasters set no recession until at least 1990—purchasing that initial residence will only become more difficult as the years go by. —Page 24

COVER PHOTOGRAPH BY JIMMY FINE (STYLING: LISA COOPER)



The Jesus-and-sex debate
Amid a swirl of controversy, Martin Scorsese's stunning biblical epic, *The Last Temptation of Christ*, including a sex scene involving Jesus, is about to premiere. —Page 63



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Telling it like it is
Stripper Annie Angle, who retired last fall, says that her once-glamorous former profession is now largely dominated by drugs and child pornography. —Page 46



A deadly IRA offensive

With a series of daily bombings and killings last week, the national Irish Republican Army stepped up its campaign to drive British troops out of Northern Ireland. —Page 18



Neck and neck in Nova Scotia
An anonymous moon election roll on a Saturday night ended months of speculation about when Premier John Buchanan's Tories would test their popularity. —Page 10

LETTERS

Cross-border trade

I wish the "royal" wedding couple every happiness, but the article "The 'royal' wedding" (Cover, July 30) reads partly like the Canada-U.S. free trade deal. Wayne Gretzky's (Canada) gifts to Janet Jones a \$155,000 engagement ring, a \$250,000 car, plus other gifts. Jones's (United States) gift to Gretzky is a kiss.

—VEDRA KORN,
Amherst, Ont.

A question of sanity

I am writing concerning your article "Bitters at large" (Cover, July 18). It was a good article, but I still remain aghast each time I read that the prison overseer described Allan Foster, who killed my grandfather, Lester Thremer, as "one of the sanest people I have ever met." A man who has murdered and conspired no others is sane? Does this not make you wonder what other problems he may be missing in his other cases?

—HEARLE BROWN,
Abbotsford, B.C.

Psychiatric and behavioral treatment of inmates in federal penitentiaries is steadily deteriorating due to a critical shortage of mental health staff. Management indifference and lack of planning have left psychological services with a consistent vacancy rate, plummeting hiring standards and obsolete or inappropriate equipment. Overworked psychologists are unable to meet rising assessment quotas, let alone provide effective therapy for dangerous offenders, many of whom are returning, untreated, to the streets. The government's proposal to keep inmates



Gretzky and Jones, Canada-U.S. ties

behind bars for a longer time, without a commitment to expand treatment programs and provide adequate staffing, is, in the words of Jane Calverton, "a prescription for disaster."

—JENNIFER
The Professional Institute of the Public
Service of Canada,
Ottawa

Real signatures

Speculating about Saturday Night, Allan Fotheringham suggests that "Ronald Wright" and "John Goddard" are fake bylines ("Passing on the wisdom of ages," *Column*, July 3). In truth, Ronald Wright is Canada's foremost author of literary travel books and John Goddard is a frequent winner of National Magazine Awards. Both men write with flair, knowledge and tough compassion. But tell me, who is "Allan Fotheringham?"

—MARK ARLEY,
Montreal

Boosting business

The spectacle of General Blask, John Eaton at all campaigning in support of the nuclear-powered submarine ("A golden new in a periscope," *Business/Science*, July 30) only confirms what many Canadians have thought all along: that the subs contribute not to real defence but to business opportunities and vainglorious militarism. General Franks should be used to defend us, not to boost the energy Committee for a Sovereign and Effective Defence, indeed—name this a Committee for a Flourishing Tax-Supported "Private" Enterprise.

—MARGARET L. BOWEN,
Greenwood, Ont.

Letters are edited and may be condensed. Writers should supply a return address and telephone number. Mail correspondence to: Letters to the Editor, Starline's magazine, Waterloo, Ontario, 777 Bay St., Toronto, Ont. M5S 1A7.

PASSAGES

DESIGNED J. Alfred (Fred) Desmet, 43, one of Prime Minister Brian Mulroney's closest friends and his trusted operations adviser, to return to the private sector. After Mulroney was the Conservative party leadership in June 1983, Desmet became his chief of staff. Following Mulroney's election as prime minister in September, 1984, Desmet served as his senior adviser until March, 1987, when—in a massive shakeup of the privy—he was named chief of the organizing committee for international summits.

DIED: Acclaimed short-story writer and poet Raymond Carver, 30, of lung cancer, at home in Port Angeles, Wash. The self-described "paid-on-call member of the working poor" was inducted into the American Academy and Institute of Arts and Letters earlier this year after publication of his short-story collection, *Where I'm Calling From*. A reformed alcoholic, last June Carver married—for the second time—poet Tess Gallagher, 37.

RETIRED: Rhythmic gymnast Leri Fong, 35, the first ever Olympic gold medalist in her sport, because of injury and illness. The Vancouver native, who won her medal at the 1984 Games in Los Angeles, has her home in the arches of both feet. As well, she has suffered since May from Epstein-Barr syndrome, a scarring virus related to mononucleosis. Fong had been a favorite to win another gold at the 1988 Olympics in Seoul.

REMOVED: B.C. Senator Edward Leveson, 58, an international director of the \$10,000-member Canadian Conference of Translators, by the international union's new executive. Leveson was replaced in the \$150,000-a-year appointed job he has held since 1978 by Leah Lacroix, 48, president of Translators' Local 1989 in Montreal. Leveson said that his ouster was punishment for supporting the losing candidate in last month's election to replace the late international Translators' president, Jackie Presser. In June, Leveson was named to a U.S.-civil suit alleging that he and other Translators' executives were conspiring with organized crime. Leveson, who was appointed to the Senate by Prime Minister Pierre Trudeau in 1979, denies any wrongdoing.

FREED: From prison in the Soviet Union, Mathias Rast, 38, whose during lightening-bulb flash, was sentenced to Soviet prison in May 1982, ended dramatically with a landing in Moscow's Red Square. The unauthorized flight from Helsinki led to the retirement of the Russian defence minister, the firing of the air defence chief, as well as a 10-year prison sentence for Rast, who was recruited to his home in West Germany after his release.

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A Chilean homecoming

Most of the burns have healed, but the deep scars remain, and she still suffers from chronic skin infections. Two years after Chilean government soldiers set fire to her and a friend and left them to die, Carmen Gloria Quintana, 30, is back at her family home in Santiago, the Chilean capital. Handmade paper chairs still hang from the walls, signs of a joyful celebration several days earlier of her return on July 15 from 22 months of medical treatment in Montreal. More plastic surgery is still needed.

Quintana says that she now plans to return to university and study sociology. And she adds that she will campaign for the resignation of Gen. Augusto Pinochet, who leads a 15-year-old military dictatorship. Quintana, who says that she was so more involved in politics than most other Chilean students before her nightmarish experience, declared, "Nothing will change until we can get rid of the dictatorship."

Quintana suffered her extraordinary injuries on July 3, 1986. Then as a 16-year-old civil engineering student, she

and a friend, Rodrigo Rojas de Sagar, 18, joined hundreds in her neighborhood on a nationwide protest march against the government. According to Quintana, roughly 30 soldiers chased them, cornered them in an alley, sprayed them with gasoline and set them on fire. They burned for several minutes, Quintana

The doctors gave Carmen Quintana little chance of surviving after Chilean soldiers set fire to her two years ago

said, then the soldiers wrapped them in blankets and left them in a ditch. Fully 65 per cent of Quintana's body was affected by second- and third-degree burns. Four days later, Rojas was dead—and doctors gave Quintana little chance of surviving.

But she began to recover, and two months later Chilean and Canadian hu-

man rights and church groups were able to move the family to Montreal, where Quintana received treatment at Hôtel-Dieu Hospital. Now light patches of skin on her face are evidence of the series of delicate skin grafts that she underwent at the institution. To combat skin infections, Quintana still takes antibiotics and she wears a light nylon body stocking and gloves most of the time. But, for the most part, she has been able to resume a normal life—and regain her sense of humor: "I have adapted for a new month," she said last month in describing impending surgery. "Like Marilyn Monroe."

During the last year of her treatment at Hôtel-Dieu, Quintana was also able to travel. She described her experiences to audiences across Canada—including many Chilean political refugees. She also went to Geneva in March, 1987, to testify before the United Nations Commission on Human Rights. But she says that she was always homesick. "I am not leaving because I do not like Quebec," Quintana said as she prepared for her journey, "but because I want to continue the struggle for democracy."

Now she has returned to a country notorious for torture and other human rights abuses. Amnesty International has called upon Chile to explain 680 disappearances between 1973 and 1977, during the early years of the Pinochet

regime. In 1986, the year of Quintana's burning, soldiers carried out mass arrests of more than 30,000 people across the country. For many Chileans, Quintana is a haunting symbol of that oppression at a time when there is some hope for change. On Aug. 20, Pinochet will meet other army commanders to nominate a candidate for leader of a nonmilitary government. Chileans will then have a chance to accept or reject that candidate in a plebiscite, now expected in October. But many Chileans say they expect that when the military leaders announce their nominee for president, Pinochet will be their choice.

Quintana has joined the thousands of Chileans working to ensure that the 12-year-old general does not obtain a mandate to rule for eight more years. Indeed, when she arrived in Santiago she went directly to a news conference where she called on other young people to register to vote in the plebiscite. And she says that she will campaign for her local "Committee for the No," as the anti-Pinochet campaign is known.

Quintana, who says that the govern-



Quintana determined to help remove Pinochet

ment condones the crime against her, brought a lawsuit against the military because of her torture. The case is under review by a military investigator. Meanwhile, Pedro Fernández Estro, the humanist she accused of giving the order to

set her and her friend on fire, has since been promoted to captain. And Quintana says that the hospital where she was treated in Santiago attempted to discard her records, including details critical to her court case.

Quintana's father, Carlos, worked as an electrician in Montreal to help pay for his daughter's medical treatment but returned home last month to rejoin Quintana, her mother, brother and two sisters. Two other sisters remain in Montreal, where they plan to study Quintana's mother, Adelina, says she worries that Quintana may have become too visible a political symbol. She refuses to let her daughter leave home since out of fear that she may be kidnapped. Last month, among the many phone requests for Quintana to speak at meetings or give interviews, she received one call from her lawyer, warning her that she was being followed by agents of the CS, the government's secret service. "I had not even noticed," said Quintana. "What do I care—what else can they do to me?" That warning is a potentially potent political weapon in the hands of one of the most determined opponents of Chile's dictatorship.

—JILL BENNETT with MICHAEL BURG in Montreal and THOMAS WANK in Santiago

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FOLLOW-UP

Removing a health threat

Julia Claus and William Nishitani recall the shock they felt when they found out that their baby, Daniel, had lead poisoning. A routine blood test in 1986 revealed that the couple's one-year-old son had three times the safe level of lead in his blood and would require hospital treatment. Now, two years later, Daniel's lead count is close to a safe level, and the biggest cause of a lead contamination problem in the east-end Toronto neighborhood of South Riverdale is being removed. Since July, 1987, workers have been stripping away the top 12 inches of soil

dangerous to children under 6—even low levels can cause hearing loss, impairment of movement control, hyperactivity and learning disabilities.

When a survey by the Ontario government in 1985 reported that many of South Riverdale's properties had lead levels above the limit at which the Royal Society of Canada recommends soil replacement, the residents received a double-whammy for help. That last year, the Ontario environment ministry and the City of Toronto announced the clean-up program. And by the end of last month, construction



Workers replacing South Riverdale soil lead levels above the acceptable limit.

from an entire 33-street neighborhood and replacing it with uncontaminated soil. Bud Leung-Jones, spokesman for the \$16-million provincially and municipally funded Soil Replacement Project "People here wanted the program; they fought for it."

The neighborhood lies in the heart of one of downtown Toronto's industrial areas. A 1984 study by the provincial ministries of labor, health and the environment indicated that lead contamination—from such sources as car exhaust from leaded gasoline, smelting emissions from nearby industry and falling lead-based paint from renovations of old houses—had become a health risk. Lead levels in the blood of South Riverdale children appeared to be nearly 20 per cent higher than those in other Ontario urban centers. Medical experts concluded that the children were ingesting lead as they played on dirt and that they had absorbed the substance over decades. Lead is most

crews wearing protective masks and clothing had excavated clean soil from new housing developments north of Toronto to roughly 400 of the 1,000 eligible South Riverdale properties. A fleet of trucks is dumping the old soil in waste containment sites where it is covered by layers of other soil and landfill. And the crews are laying new soil—and even plants for homeowners whose gardens have been damaged in the process.

In November, workers plan to begin sealing and vacuuming the walls, furniture and heating vents at each house to dispose of any contaminated dust still lingering. For her part, Julia Claus is simply relieved that her son Daniel, now 3 and apparently suffering no ill effects from his lead poisoning, now enjoys his new backyard. But Claus "He has been rolling in the grass, having a great time."

—DODI TOOD

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TORONTO'S CLASSIC HITS

COLUMN

A job for the hacks and bagmen

By Diane Francis

I am sceptic in favour of free trade but I couldn't be happier about John Turner's strategy to use the Canadian Senate to block passage of the free trade treaty. This is because his dramatic and arrogant move serves two important public policy purposes. First, Turner and his Liberal Senate sidekicks may convince Canadians once and for all that the Senate must go. Never before in Canadian history have so few been in a position to delay so many in such a small town. But more importantly, this non-traveller move promises an important insight into the character of the man who would be Mackenzie King. Liberal Leader John Turner. He must go, too.

The Senate is an embarrassment to a democratic society. That is why proponents of "Senate-icide" such as myself welcome Turner's unexpected attempt to use Senate powers to block a treaty with one long-standing partner. It has never ceased to amaze me and others how long that anachronistic institution has lasted in the first place. Senators make \$24,250 a year and get perquisite police—executive assistants, lavish office, a \$9,000 research allowance and more status than they deserve. After nearly three decades of Liberal rule and subsequent stuffing of the Senate's ranks by party hacks and bagmen, it has deteriorated into a feather-bed for fallen Liberals.

By contrast, our Anglo-Saxon cousins have nothing like it. In the United States and Australia, a fixed number of senators are elected for each state, no matter what the population is. Members of the British House of Lords remain unelected, and their titles are mostly inherited, but at least they are not a drain—they get nothing but a reimbursement of travelling expenses. Meanwhile, here in Canada, taxpayers like you and me have to support senators, such as Keith Davey, who make no bones about the fact that they work at times virtually full-time for the Liberal party. Consequently, it is totally unacceptable to me that taxpayers should support a body such as Norman Atkins so he can work virtually full-time for his party too.

Turner is using political evasion. By threatening to abolish the Senate, he proposes an elective deadline upon the Tories before January, when

the treaty is to go into effect. But what is the result as we see so though the Tories have haphazardly Canada into a free trade deal without an escape clause. The wording of the treaty itself provides that any new government, should the people, in their wisdom, cast out the Tories over this, can get out of the treaty with six months' notice. So can the Americans.

By announcing his Senate scheme, Turner may have derailed it before it had a chance to proceed. American leaders, most wonder who they are dealing with in future in Canada if a re-elected opposition leader who suffered a humiliating defeat at the polls in 1984 can stop the signing of a treaty. Others must wonder too. Turner's action has also tainted the current President and bewildered Congress as well as the two presidential candidates who have both endorsed the deal. Even Ed Broadbent, who opposes the free

With Turner using the Senate against free trade, Americans must wonder who they can deal with in the future

trade deal, shares this gambit as antidemocratic.

This is a constitutional crisis because as by the best of intentions, Turner's handers will argue that the threat to block the deal passionately champions democracy by forcing this government to put free trade to a vote. The argument is spurious. Whether free trade happens or not, it will remain one of the most important issues in future federal elections. The economic reality is that in this country our continental policy is pro-American. Roughly 36 per cent of our economic activity and at least 100,000 jobs are at stake. Hence, if this particular treaty turns Canadians off, then its political proponents will be swept out of power, either this year or four or 10 years from now. If this deal turns out to be popular, its proponents will score political points.

Turner and his patronage pals in the Senate obviously consider themselves uniquely capable of deciding what is good for the country. They are convinced that Canada, and Canadians, cannot compete against the United

States even though we already are doing so. They assume that Canadians woefully confused a mandate into Prime Minister Brian Mulroney and wrongly rejected their party. They must feel that Canadians who support the deal don't understand the true ramifications. They must feel that legions of civil servants and federal cabinet ministers negotiated a one-sided deal, which bewildered Americans. They think that by embracing old protectionist policies here at home they can turn the tide south of the border.

Here is the reality. The Americans are going protectionist and the free trade deal is a chance to get in before they bolt the barn door. Besides, the deal makes positive sense, which is virtually why they credit the economic think-tank in Canada endorses it, as do all but two Liberal provincial premiers, David Peterson of Ontario and Joe Ghis of minuscule Prince Edward Island. That is why it is little wonder that reliable polls show that the majority of Canadians in every region, as well as business organizations, the Canadian Consumers Association and most respected academics in the economics field, agree with this gutsy initiative.

Despite that, John Turner would save us from senators. The people have spoken, but he is not listening. The government of Brian Mulroney was given an overwhelming mandate to govern in 1984. John Turner's government has been elected only three times out. As for the Senate, its mandate should have been dissolved decades ago, and now both Turner and his supporters have foolishly shown their stripes. They are elected officials by taciturnity to defy the will of the people when it suits their purpose. It is patently clear at its worst. Just who do John Turner and his gag of political bullies think they are?

But free trade may only be part of the Senate's loss. After all, Mulroney's government has not only undertaken the greatest economic initiative in Canadian history with this treaty but it is also moving to put Senate reform in place with the March Lake accord. Under its terms, the first ministers would meet annually until a unanimous decision is reached as to how to re-nominate the Senate, making it an elected body. Thereby may be the real problem, and this whole nonsense represents the last step over for power is a dying institution with nothing to lose.



Neck and neck in Nova Scotia

It was a startling display of campaign theatre. As Nova Scotia Conservative Premier Bob Stanfield approached the podium at Mount St. Vincent University in Halifax last week, the strains of Nicki's *Goose Step* in Nova Scotia's auditorium's speakers. Then, a squad of young Tories entered from the left of the stage—dressed with the letters "N.S. U.S.A. U.S.A. U.S.A."—singing "Sha-na-na-na, sha-na-na-na, the Liberals, goodbye." And in a campaign dance that he repeats at nearly every stop, Canada's longest-serving premier bounced from side to side and clapped to the beat as the 150 Tories in attendance cheered him toward victory in the Sept. 6 provincial election. Said Stanfield, 50, who used the word "new" 40 times in his 15-minute address. "Leadership means new ideas. New ideas mean new jobs. New ideas mean new opportunities."

The emphasis on renewal seemed appropriate after the months of problems plaguing Stanfield's government. The premier ended the election announcement to be made ceremoniously over the government's main news service on a Saturday evening, July 30, ending nearly a year of speculation about the timing of a vote. Several times over the past nine months, widely predicted election early did not happen as Stanfield coped with a series of scandals and, when the announcement finally came, many political observers said that the Sept. 6 date seemed to be timed to coincide with a break in a politically embarrassing inquiry into the Nova Scotia justice system and the wrongful imprisonment of Maric Indian Donald Marshall. Marshall spent 11 years in prison after being convicted in 1971 for a murder that he did not commit.

The Conservatives were in firm control of the legislature in Halifax with 40 of the 52 seats. The Liberals held six; the N.S. Free, independents, two; and there was one vacancy. Both the Liberals and New Democrats have made efforts in government: a campaign issue, but a poll conducted by Halifax-based Opin-

ion Research Ltd. in early July and released last week reported that 27 per cent of voters were undecided about which party to support. The Liberals and Conservatives were neck and neck with the support of 27 per cent and 26 per cent, respectively, while 19 per cent backed the N.S. in an October poll in July, 1987, the Liberals led the Conservatives by six points at 33 per cent, and the N.S. was second with 21. Solid Ontario president Richard Rowley: "If Stanfield is successful in maintaining that trend, he will keep on."

The N.S. suffered the first setback of the campaign after one of its stars—Robert Levy, a longtime critic of government patronage—accepted a provincial appointment to the Nova Scotia family court the day before the election. At the same time, the Liberals won the first of the three parties to reveal specific campaign pledges. Their leader, Vernal MacLean, declared that a Liberal government would introduce a resolution to amend the Nova Scotia constitutional act to ensure that Ottawa keeps control of federal and its power in creating shared-cost social programs. MacLean said that he did not know whether such a measure would effectively reverse Nova Scotia's declared support for the agreement—the Tory support-

is the legislature approved the pact in May 85—but some constitutional experts said that it would.

The second, which, among other things, would bring Quebec into the Constitution by granting the provincial government the right to promote a distinct society, requires the approval of all 10 provincial legislatures and Parliament before June, 1990. Only two provinces have not yet approved the accord—New Brunswick, where Liberal Premier Frank McKenna also says that the pact takes too much power from the federal government, and Manitoba, where Liberal opposition leader Stuart Carson has announced a minority Conservative government as the issue. Said MacLean: "I have exactly the same views and same worries as Frank McKenna and Stuart Carson."

Meanwhile, Liberal phrases say that they are better prepared than they were at the outset of the 1984 election, in which they lost six of their 12 seats—shocking former leader Alexander (Buddy) Carruthers. The party had 38 candidates nominated before the current campaign started, compared with six the last time. And MacLean claimed that the Liberals' private polling showed the party has a good chance of forming a majority government. Declared the Liberal leader: "People are pretty discontented."

But a close contest could be decided



Halifax wastewater treatment plant, \$150 million for a treatment plant to clean up a sewage-filled harbor.

by personalities, and many Tories say they are confident that Stanfield's folksy style will help them to victory, as it did in the three previous elections, beginning in 1975 when the Tories defeated the Liberal government of Gerald Brown. While MacLean, 40, appears sincere and tense at gatherings, Stanfield's avuncular manner has brought him immense personal popularity. Stanfield extended last week that "Stanfield is the party has a good chance of forming a majority government. Declared the Liberal leader: "People are pretty discontented."

that there is a real desire for change."

For his part, Stanfield concentrated on the province's improved economic status during his first week on the hustings. Nova Scotia's current unemployment rate is a 9.6 per cent—down from 14.1 per cent in 1984—although overemployment in Cape Breton is a staggering 13.1 per cent. Four days into the campaign, Michelle Tyr (Canada) Ltd. announced a \$300-million modernization program and expansion of Nova Scotia plants that would create 800 jobs over the next eight years, and Stanfield boasted that his government had created an environment attractive to business. Indeed, his government had

McDonough: "We refuse to be thrown off course in this election by what has reeked of old party politics. The system stinks and it needs to be cleaned up." But many political observers said that Levy's claim that the N.S. could undermine opposition charges of government corruption and patronage. Said Stanfield: "It is a troubling loss for the N.S." And now, after months of delays, Nova Scotia's voters will have their chance to pass their own judgments on the three leaders and their parties.

—PHIL KAPLAN AND VALERIE MANNING
in Halifax

Tripped by scandals

Nova Scotia Premier John Stanfield's Conservatives swept to their third consecutive election victory on Nov. 6, 1984, capturing 42 of the 52 legislative seats. For two years, relative calm reigned in the government's shadow. But starting in the autumn of 1986, the government began to suffer from an unusual series of political embarrassments and from the media.

• In October, 1986, former culture, re-



MacLean

vision and finance minister Billy Joe MacLean was accused of offering \$50,000 to a judge to influence the outcome of a trial.

• In November, 1986, a close friend of the premier, was fined \$6,000 and expelled from the legislature. But on the Tory's charge, he was an independent in a Feb. 24, 1987, by-election in his old riding, and won.

• Social Services Minister Richard Morris was charged in November, 1987, with violating the province's Freedom of



Morris

Information Act for making details of a woman's confidential social services file public after she threatened him in a newspaper article. The veteran politician and former Halifax mayor was found

guilty last January and fined \$100.

• Tory backbencher Gregory MacIsaac resigned in February after being convicted of fraud for declaring his government expense account. MacIsaac, MLA for the Cape Breton riding of Richmond,



MacIsaac

was sentenced in March to a year in jail and is now out on parole.

• Deputy Premier Roland Thornhill resigned from the cabinet in April after raised allegations that government pressure on the RCMP in 1980 helped him to avoid being charged with accepting an illegal benefit. Attorney General Therese Dewar increased the government's reimbursement considerably when he admitted that he wrote a letter backing the



Thornhill

government's handling of the case, and then went it to an ex-Minister to sign.

As well, the 13-month-old Marshall inquiry into the province's judicial system will remain in Sept. 13, six days after the election. In addition, that the inquiry has heard so far, from 188 witnesses, most of the testimony has reflected poorly on the performance of some officials in the attorney general's department.

Testing time for the NDP

Stokely Carmichael's rough-and-tumble politics campaign have new bases for the disadvantaged. "We wear our politics on our sleeve," said Jerry Simons, the New Democratic Party's Stokely Carmichael co-ordinator for the upcoming federal election. "And we are extremely open-minded." That passion for politics, which in Stokely Carmichael's federal campaign since the early 1970s has been a two-way fight between New Democrats and Tories, often results in close and sometimes brutal battles for the province's 36 federal seats. And in the close races, strategies for both sides admit that the strength of party organizations can make the difference between winning and losing.

Now, as the NDP prepares to enter a federal election campaign widely expected this fall, its waning organizational strength is about to be tested across the nation. In Saskatchewan, where the NDP can rely on a solid political base that has existed ever since the founding of its predecessor, the Co-operative Commonwealth Federation in the 1920s, the party has as shortage of authentic recruits. Said Terry MP John Gurney, who was the riding of The Battlefords-Shadow Lake in the 1984 election by a mere 388 votes over NDP incumbent Doug Auld: "In Saskatchewan, the NDP is not just a political party as a political movement. Its followers are positively religious."

NDP organizers are counting on that fact to enable them to defeat Carmichael when they next hold. But the real challenge for the party in the upcoming election will be to match those organizational abilities in other areas of the country where the NDP has no traditional base of support—most notably in Quebec.

The NDP won 38 seats, with 10 per cent of the popular vote, in the 1984 election. Thirteen of its victories were in Ontario ridings, eight in British Columbia, five in Saskatchewan and four in Manitoba. Since then, it has picked up another two seats in by-elections in the Yukon and Newfoundland. Opinion polls showed the party's popularity increasing after the general election, and

a year ago it topped 40 per cent nationally for the first time in its 58-year history. But recently, its poll standings have fallen dramatically, to a more sobering—and party leaders say more realistic—level of 21 per cent in the last Gallup poll released in July.



Broadbent pitches Saskatchewan in Nova Scotia: trying to revive hope

Much of the decline of the NDP's national standing is due to a sharp drop in the party's support in Quebec, to just 20 per cent last month from 41 per cent in mid-1985, despite the continued high popularity there of leader Ed Broadbent. Still, some admit that in Quebec, where the NDP has a long history of support, the party is not in as good a position as it is in other parts of the country. "Without an organization, the NDP shows no credible sign that it is capable of winning and holding power," that weakness was

THE FORTUNES OF THE NDP

Party standings according to the Gallup poll				
	NDP	LIBERAL	PC	
Election 1984	10	28	52	
July, 1985	21	41	36	
January, 1987	30	41	34	
July, 1987	41	39	33	
January, 1988	31	36	30	
July, 1988	27	37	33	

demonstrated by Secretary of State Lucien Bouchard's victory in Jean's Lac-St-Jean by-election, when NDP candidate Jean Paradis won just nine per cent of the vote.

Still, for the first time, the party plans to conduct a serious campaign in Quebec. NDP organizers have targeted \$1 million for media advertising in the province during the campaign. And Broadbent is scheduled to spend almost as much time in Quebec as he does in Ontario. Meanwhile, the NDP remains a powerful factor in parts of Ontario, the Prairies and British Columbia. Said Winnipeg-based NDP pollster Angus Reid: "There are a lot of people who want to count the NDP out, but I am not one of them. In every campaign, leadership has been the NDP, and Broadbent is a huge asset for the NDP." Reid and NDP strategists both said that the party's support remains strongest in the cities, particularly Vancouver, where the NDP's own polling shows it running well ahead of the Conservatives and Liberals.

But the party is under assault in Winnipeg, an old stronghold. Surprisingly, that threat comes from within. Some of whom, such as Lloyd Axworthy, are faithfully pointing out that their party could win four or five of the seven Winnipeg-area seats and Winnipeg's North Centre NDP MP Cyril Keeler, whose own relatively safe riding has elected a NDP or NDP candidate in every election since 1968 except that of 1984, said that the Liberals "are in contention and they can burn it" in the Winnipeg area.

Meanwhile, party organizers point out that they are entering the campaign in far better shape than they did in 1984, when their support dipped to 19 per cent just before the election call. Last week in Prince Edward Island, a province that has never elected a New Democrat, Broadbent told a receptive Charlottetown gathering of 150 "bring a New Democrat to P.E.I." is no longer like being a Renegade. "But for a party that only a year ago revealed in unprecedented public support, it would take more than a leader's enthusiasm to revive the hopes of the summer of 1987."

—BRUCE MALLACK with NANCY CLARK in Ottawa



Anti-South Africa protest in Toronto; Clark (below) no agreement on sanctions

The ranks on apartheid

I was a powerful symbol of protest. Clanking black and white sandals that thumped in the cool night air, 3,000 people gathered on a Toronto street last week for a joint concert-part of a protest against apartheid in South Africa. They swayed to the anthem of the outlawed African National Congress (ANC), played by South African-born jazz pianist Albert Hirschman. Then, as eight Commonwealth foreign ministers made their way into a makeshift stage, the crowd sang their fists in salute and chanted rhythmically, "Sanctions now! Sanctions now!" It was a heartily repeated in the minutes, who make up the Commonwealth Committee of Foreign Ministers on Southern Africa, on the eve of discussion to increase worldwide pressure against apartheid.

But that appeal fell on deaf ears. After two days of talks, the committee formed last year at the Commonwealth heads of government meeting in Vancouver—could not agree on new sanctions against the white minority government in Pretoria, South Africa. Canada and Australia, which did not wait further meetings, found themselves pitted against Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe, which wanted tougher measures. In the end, the committee simply agreed to try to persuade Commonwealth and other governments to tighten existing sanctions. As well, Canada pledged \$1 million to combat South African news censorship and

propaganda. Said a disappointed Johnny Makinzi, the ANC's Zambia-based international affairs director, who was invited to attend the talks as an observer: "The conference falls short of what we expected."

In fact, South Africa may have freed a way to minimize the impact of existing sanctions, according to a confidential report prepared for the ministers by their international policy experts, which Makinzi's obtained. It states that sanctions that have been in effect since 1980 have had some limited success in reducing South Africa's exports, but it is less than half of what was needed to reach a minimum noticeable level. Meanwhile, despite worldwide disapproval, six non-aligned nations—Tanzania, Russia, Italy, Turkey, Japan and West Germany—have aggressively increased their trade with South Africa since the Commonwealth applied its sanctions. Says the St. George report: "A much harder path is needed from the international community. While people still enjoy a comfortable lifestyle and breathe from apartheid, sanctions have yet to cause real discomfort."

Still, the foreign ministers could find no common ground. Speakers for both the Canadian and the Australian delegations said that they would avoid demanding the current discussion in the Commonwealth arising from British Prime Minister Margaret Thatcher's adamant opposition to the current sanctions. They also said that they did not want to make changes in the policy during the campaign for the U.S. presidential election in November. For their part, officials from the London-based Commonwealth secretariat, disclosed that the other six countries wanted to increase the pressure by adopting new sanctions. Acknowledged External Affairs Minister Joe Clark: "There are differences on the speed with which we proceed with sanctions."

The secret report strongly advised that the 45 Commonwealth countries within their ban on apartheid-reports imports from South Africa—now limited to coal, uranium, iron and steel—by adding copper, lead, tin, zinc, aluminium, nickel, iron ore and other minerals. As well, they suggested the addition of cotton, wool, hides and skins, leather, fish and seafood to the already comprehensive list of banned agricultural products. Said the report: "While the pressure is mounting, it is unreasonable to expect sanctions to have any but the most limited impact."

While the foreign ministers wrestled with the theory mass of sanctions, the South coast of Ontario (see sidebar) between Angola, Cuba and South Africa achieved an unexpected breakthrough. The three delegations started discussing a timetable for independence in Namibia and the withdrawal of foreign troops from Angola. While going no details, they said in a joint statement that the three countries were "detailed, positive and productive." But the continuing pressure for sanctions—and the deadline on Thatcher's waterfront symbolized the continuing isolation of South Africa.

—HEALY MACKENZIE





Poole deciding to leave Vander Zalm and his troubled Social Credit government

A power broker departs

It had come to be known in Social Credit party circles as "the Poole problem." In the 21 months that British Columbia's Premier William Vander Zalm has been in office, his top aide, David Poole, has been almost constantly at his side. Poole acted as everything from sounding board for Vander Zalm's ideas to a trusted ally facing the premier's advisers at news conferences. But that changed on Aug. 4 when Vander Zalm called a news conference at the B.C. legislature. The premier stood alone before a packed room—and Poole was conspicuous by his absence. The reason, after months of complaints from inside the party that Poole wielded too much influence in the premier's office, Vander Zalm was announcing Poole's departure. And the premier, who had received a four-page letter of resignation "I don't see this as a positive thing. On the contrary, I see it as a negative but necessary thing."

Poole, a 46-year-old former community college administrator, had become a liability for Vander Zalm, and his troubled government since the premier made him his principal secretary after his election in October, 1986. The main complaint among Social supporters was that his delays at top civil service and a partisan political adviser blurred the traditional distinction between those functions. Many members of the party and the masses objected to the fact that Poole had deputy ministers reporting directly to him instead of to their own—elected—cabinet ministers. As well, Poole faced accusations of interfering in last year's sale of the Bico

Green lands in Vancouver. Poole arranged to have a friend of the premier, entrepreneur Peter Togo, exert the board of the Crown corporation responsible for selling the lands. The lands subsequently went to another bidder, Hong Kong billionaire Li Ka-Sing.

The problem came to a head early last month when Economic Development Minister Grace McCarthy resigned from the cabinet, claiming that Poole's meddling in ministerial affairs was one reason for her decision. On July 26, Vander Zalm moved to fix the problem; he said that Poole would function as a strictly political secretary, and he appointed a former deputy finance minister, Frank Rhodes, to head the civil service. Vander Zalm promised "a brand-new start" in government. But clearly, that was not enough for many critics inside the party.

For her part, McCarthy, who still sits as an M.P., said that she was pleased with Poole's resignation, but cautious about Vander Zalm's promises of reform. "If this resignation is an indication of change, it should be considered a step in the right direction," she said. "But I am willing to see because we have had these promises before in the last four weeks." For his part, Poole said that he had quit "for the party and the premier—particularly the premier," and that he would return to the private sector. For Vander Zalm, who could face a leadership review in October, Poole's departure is one further step toward relieving the turmoil that has engulfed his inner office.

—JANE URBAN in Vancouver

A new man for London

At one time he was the heir apparent. In 1979, when the Conservative government of then-prime minister Joe Clark was in disarray and Liberal leader Pierre Trudeau had announced plans to retire, prominent Liberals urged Donald Macdonald—a patrician 36-year veteran of Parliament—to leave his Toronto law practice and run for the party leadership. But he never declared his candidacy and, when the Clark government suddenly collapsed, Trudeau returned to lead the Liberals to victory in the February, 1980, election. But that experience did not end a remarkable career in public service. Macdonald went on to head a royal commission examining the Canadian economy. And last week, Clark, now external affairs minister, announced that in October, 1986, he will become Canada's high commissioner in London, replacing Roy McMurtry, who is returning to Canada.

Macdonald was the second youngest non-Tory to receive a high-profile diplomatic appointment in as many weeks. On July 23, Clark appointed Yves Fortin, a Liberal Member of Parliament, to succeed Stephen Lewis as ambassador to the United Nations. One adviser to Prime Minister Brian Mulroney said that the well-respected Macdonald—who held five posts in Trudeau cabinets—was "an invaluable appointment." But after the announcement last week, Hamilton Liberal M.P. Sheila Copps charged that the appointment was a Tory attempt to deflect criticism "from an orgy of patronage."

Although Macdonald's integrity is unquestioned by politicians in all three parties, his passionate defence of free trade with the United States—which the Mulroney government is pursuing—alienated many Liberals in 1984. Macdonald called on Canadians to take "a leap of faith" and conclude a trade pact with the United States. According to lawyer Harry Macdonell, a colleague of Macdonald's at the law firm Horowitz & Horowitz of McCarthy & McCarthy, Macdonald "is realistic enough to recognize that this time he could have been prime minister a just." Added Macdonell: "But he feels that he can still contribute to the nation." Starting in October, he will be making those contributions from abroad.

—MARC CLARK in Ottawa

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A death in prison

In different circumstances, it would have been dismissed as just another apparent suicide in prison, but Pierre Messier's death had a far more troubling aspect. Guards at the ancient Laval maximum-security penitentiary, outside Montreal, found inmate Messier dead of undetermined causes in his cell early on the morning of Sunday, July 21. Messier, 38, who had served 6½ years of a life sentence for first-degree murder, had been telling friends that he would rather die than be transferred to a new penitentiary in Port-Cartier, Que., 725 km away. For weeks, lawyers, criminologists and the families of Laval inmates have insisted that, for many prisoners, the impending transfers were a matter of life and death (Maclean's, July 28). Stephen Finberg, a lawyer who is a member of the prisoners' rights committee, a Montreal-based advocacy group, said that the circumstances of Messier's death were such that "the hypothesis of suicide evokes more sense than anything else."

But the inmate's death was not a Laval before all of this is over." Messier's death, still under investigation by prison officials at the end of last week, was the latest in a series of incidents at Laval—including a July 7 riot when guards fired 30 shots and wounded one inmate—which some penal experts and prison guards have partly attributed to the planned move of most inmates to Port-Cartier. Beaumont said that several other prisoners had told her that they would kill themselves rather than be moved away from their families and other support services in Montreal. Last week, the inmates' committee at Laval asked a team of lawyers to try to persuade the courts to stop the transfers, which are due to begin some time this fall. As well, a group of prisoners' wives pledged to march on Parliament Hill to demonstrate their opposition to the transfers. For the moment, however, attention was focused on the death of



Messier troubled

Messier. Guards noticed him lying on the floor of his cell early in the morning. But prisoners at Laval often sleep on their cell floors during the humid Montreal summer nights, and, according to other inmates, a guard passed Messier's door several times, apparently without realizing that anything was wrong. When guards opened the door at 6:40 a.m. and discovered that Messier was dead, they found no weapons or signs of violence. Prison spokesman Paul Paumier said that a preliminary autopsy, performed the next day, did not establish how Messier met his death. But the results of a toxicology examination, expected later this week, could answer the question of whether Messier had swallowed drugs or poison prior to his death. Messier's wife, Nicole Mercus, said that although Corrections Canada had not officially ordered her husband to move to Port-Cartier, he was deeply troubled by the prospect of a transfer and frequently spoke of suicide. But she also said he promised that before carrying out his threat he would write

her a letter, and prison has been frank. "It was a pact that we had between us," Mercus told Maclean's. "If we didn't find a letter, I can't feel sure that he killed himself." Still, other inmates told a lawyer for the prisoners' rights committee that Messier had been talking openly about suicide in the weeks before his death. The new \$60-million maximum-security facility is nearing completion at Port-Cartier, near Sept-Îles on the north shore of the St. Lawrence River, in Prime Minister Brian Mulroney's riding of Manicouagan. It is scheduled to hold 46 inmates, many of them from 215-year-old Laval, which is to be closed. The Laval inmates' committee has asked a team of five lawyers, including Finberg, to force the legal system to block the move, including the possibility of an injunction. Finberg said that he did not know when such action would be taken but that it would be soon. Said Finberg: "There is no doubt there will

be a challenge of some kind in court." The inmates' committee also released the results of a so-called referendum held inside the cell on the Port-Cartier issue. Of 363 ballots that the committee issued in a prison popula-

tion of mental, moral and psychological cruelty." It added, "We sense, it is an exile worse than death." The inmates' committee is fed by the fear that they will have far fewer family visits, which criminologists and relatives say are critically important to the prisoners' rehabilitation and stability within the institution. Mercus and a group of other inmates' wives announced that they would travel to Ottawa this week to join others from Ontario and Quebec who will be in Parliament Hill for National Police Justice Day on Aug. 10. They said that they will try to present a petition to Mulroney, asking for the Port-Cartier transfers to be annulled. Said Mercus, who visited her husband 16



Mercus at Messier's funeral: an unfulfilled promise of a final letter

times a week, said that she was not included—128 were returned. Of those, 340 were in favor. In a news release announcing the results, the committee said that the transfer program "would simply be

to send people all the way up there." But the federal government gave no indication that it was reconsidering the transfers.

—MICHAEL BORDO in Montreal

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Wreckage after Inglis Barracks bombing in north London. Tightening security after an attack on a 'soft target'

WORLD

A deadly IRA offensive

Raymond McNeill was driving to work at a factory in Northern Ireland last Wednesday, musing when the attack erupted. The 30-year-old father of one and part-time soldier in the province's Ulster Defense Regiment (UDR)—a mainly Protestant military unit recruited locally by the British army—viewed his car to cross a narrow bridge outside Omekeena, 60 km west of Belfast. Then, gunmen waving in ambush sprung their trap. According to local police, McNeill tried to fight off his attackers with his service revolver. But the gunmen shot him several times in the head and chest and left him for dead. A short time later, a passer-by found the wounded militiaman. He was rushed by ambulance to a hospital in nearby Dromore, but he died several hours later.

McNeill was one of six victims, including two elderly civilian reconstruction workers, in a spate of killings last week by the underground Irish Republican Army. The attacks formed part

of a deadly new wave of violence against military men and civilians by the IRA, the mainly Roman Catholic guerrillas who have been fighting actively since 1969 to force British soldiers from predominantly Protestant Northern Ireland and to unite the province with the northern Irish republic. In the nine months before last week, the IRA had killed eight UDR members, two policemen and 15 British soldiers in Northern Ireland. In the same period, the British authorities claimed a series of successes against IRA gunmen, as well as propaganda gains when Irish nationalist guerrillas killed 17 civilians and injured dozens of others in targeted attacks on security forces. But in its series of bombings and assassinations last week, the IRA's offensive proved to be deadly not only in Ulster but also on the British mainland after a break of nearly four years.

The latest cycle of violence began early on Aug. 1 with an explosion at a British army barracks in north London that killed one soldier and injured nine others. The next day, six part-time UDR soldiers were injured when they

Lancaster hit an IRA land mine in the village of Curdick, 55 km west of Belfast. Later that day, as the bomb exploded under a car in a busy shopping area of Limerick, near Belfast, killing one policeman and injuring 18 bystanders. About 20 minutes later, two IRA gunmen dragged a part-time soldier out of a Belfast store and shot him to death in front of his wife and two-year-old daughter. Then, on Aug. 4, just one day after the ambush of McNeill, four gunmen dressed in combat gear fired roughly 150 rounds at point-blank range at a man, killing two Protestant construction workers, aged 40 and 64, who were returning home from repair work at a bomb-damaged police station in Belfast, near the border with the Republic of Ireland. An IRA statement later said the victim had refused to heed its warnings against working for the army and police in Northern Ireland.

Commenting on the violence, Neil Ruxton, leader of the opposition British Labour Party, declared, "Such actions earn only loathing and contempt." He added, "The IRA will never

advance any cause for which it stands by murderous attacks." But the violence rattled fears of a new IRA bombing campaign against British forces.

On Aug. 2, IRA leaders told officials to avoid contact with British soldiers. They added, "We are issuing this warning because the close presence of divisions causes us to abandon operations. No car should travel close to, or with, clearly identified members of the British forces." The statement added that the warning applied throughout Europe. Later, it underlined its focus on Belfast and that civilians who frequent discotheques and pubs used by off-duty military personnel are especially at risk. That aroused fears that the guerrillas may be planning attacks similar to a 1982 pub bombing near Londonderry, Ulster's second-largest city, and two 1974 bombings in the London area. In all, those explosions killed 18 soldiers and nine civilians and injured more than 150 people.

The north London bomb attack on Aug. 1 against the Inglis Barracks exposed the vulnerability of hundreds of noncombatant military installations throughout Britain. Situated in the affluent residential suburb of Mill Hill—on the edge of Prime Minister Margaret Thatcher's parliamentary constituency—Thatcher's parliamentary constitu-

33 died. Nine others were injured, two of them seriously. Said Capt. James Denmore, the security officer at the base: "It has been a tragedy for us and our security. I have been here for many years and I think that it is a miracle we have not been hit before."

Indeed, despite a wave of bombings and machine-gun attacks on British military targets in West Germany and the Netherlands since May, critics charged that security at the Inglis Barracks was decidedly lax. Reports at the scene disclosed that the five-foot-high perimeter fence was riddled with gaping holes. And workers at the base said that an entry checkpoint was sometimes left unguarded, allowing local residents to walk in and out of the complex at will. "This was a soft target, and this makes it an extremely cowardly attack," said Archie Hamilton, minister of state for the defense department. "We don't keep the military apart from the community but we did obviously now have to review our security arrangements."

Before the barracks explosion, the last successful attack on the British mainland occurred in October, 1984. During the annual Conservative party conference in the British southern coastal city of Brighton, a bomb exploded in the Grand Hotel, where Thatcher and most of her cabinet were staying. The early-morning blast destroyed portions of several floors. In her second-floor suite, Thatcher narrowly escaped injury or death as falling debris hit. But five people—includ-

to be held in Brighton in October. The latest rash of attacks may be an effort by the IRA to commemorate attacks that its strength as winning. Although the IRA claims an active membership of several thousand, informed observers estimate that the group's current strength is the Republic of Ireland and Northern Ireland is about 300 guerrillas and several hundred active supporters. But in the past two years, the IRA has suffered a series of setbacks, including the loss of its capture of many top gunmen and the discovery by police of several major weapons caches. Last March, after members of Britain's anti-terrorism Special Air Services force killed three unarmored guerrillas in Gibraltar, the IRA vowed revenge. Still, the organization has been under pressure from its own supporters to choose its targets more selectively, after a series of attacks in which civilians were mistakenly killed. In the latest such incident in July, an attempt to kill three died in a bomb blast intended for an Ulster judge.

A source close to the IRA in Dublin said that the London barracks bombing was not a revenge killing. "It was one after Gibraltar, but the Mill Hill bomb is part of our long-term strategy to hit the British security forces wherever they are—Holland, Germany, Gibraltar or London." The source, who did not want his name used, said that unintended killings of civilians "were not blown for moral reasons." The Mill Hill explosion has done wonders to retort that situation." He added, "It also hit a target beside Thatcher's constituency just before the fourth anniversary of the Brighton bomb when we really got her. It shows we can still strike at the heart of the British establishment."

On Friday, the violence continued. An explosion at a British army barracks in Dinslaken, West Germany, injured three soldiers and a British civilian and, on Saturday, the IRA claimed responsibility for having planted a bomb there. In a front-page editorial last week, the IRA newspaper *Republican News* declared, "In a week in which there has been a major resurgence in its attack against British forces, the Westminster government has been faced in a more dramatic way than for years with the stark reality that there can be no peace until it gets out of Ireland." But the killings seemed only to have stiffened British's resolve to fight the guerrillas at any cost, adding to the tragedy of the region known to many as the meanest corner of the British Isles.

—ANDREW WILKINSON AND IAN HENDERSON
London and MICHAEL WEAVER in Dublin



IRA guerrillas training in Northern Ireland: targeting the British military

ing victims they were Sir Anthony Berry—were killed in the wake of the barracks attack, the government ordered a reappraisal of security arrangements for key events including this year's Conservative party conference, which is again scheduled

Where was George and who is he now?



Republican party strategists had planned the acting to underline their candidate's virtue tales. While the Democratic party was selecting Massachusetts Gov. Michael Dukakis as its presidential nominee in Atlanta last month, Vice-President George Bush went on a three-day fishing trip in Wyoming's Snakehole national forest. There, after pitching a tent 1,000 feet above sea level, Bush cast his hook and took home and reportedly swapped off-color stories with Treasury Secretary James Baker—who resigned last last week to become chairman of his longtime friend's faltering campaign. But when Bush emerged from the wilds, he found himself the butt of national jokes.

Since the Democratic convention, backers have assailed Bush with the refrain that Democratic Senator Edward Kennedy—chronicling Republican scandals from which the vice-president has distanced himself—turned into a convention catchphrase. "Where was George?" At the same time, Bush has made numerous verbal misfires, reinforcing keynote speaker Ann Richards's remark that he was "born with a silver foot in his mouth." The president's impromptu endorsement of the financial problem facing Bush as he leads for the Republican vice-convention in New Orleans next week—how difficult it is publicly defining himself. Indeed, even some Republicans pressed fears that, unless Bush can firmly establish his identity in his New Orleans speech, his campaign could remain stalled. Last week, he lagged 17 points behind Dukakis in major public opinion polls. In Washington-based Republican consultant Kevin Phillips' "Unless someone can develop a personality transcendent, I don't think he can save himself."

Those concerns crystallized the role that personality will play in an election that still looks very undecided. And last week, as Bush's aides made clear that they will use the convention to raise doubts about Dukakis's competence and character, that personality issue took on a new force. According to the *Schlesinger* and the *Los Angeles Times*, Bush's campaign staff and advisers actively forced a two-week campaign of rumors—first used by ultraconservative supporters of Lyndon LaRouche at the Demo-

cratic convention—that the Massachusetts governor had suffered from mental health problems.

Dukakis and his doctor of 37 years retrospectively denied that he had ever received psychiatric care. But President Ronald Reagan exploited the rumors late national headlines when—responding to a question from a LaRouche supporter at a White House news conference—he said, "I don't want to pick on an invalid." Within 30 minutes, the President expressed regrets for his joke. But, like the Democratic ridicule of Bush, it may signal that the fall campaign is becoming increasingly vicious.

Reagan took two other steps to improve his vice-president's electoral for-

tune. As one White House aide put it, "It's the President's view that wherever he goes, he tends to be the focal point, so he wants to do it this way."

Still, even Reagan's early exit from the convention stage may fall to erase contagion for a candidate of his charisma and stature who could hold together the squabbling ideological factions of the party. Bush appears to be unable to sustain the coalition Reagan forged to win the White House in 1980. Said Virginia dissenters' opinion Richard Viguerie, a conservative whose network is credited with helping Reagan: "The party is not under behind George Bush."

Bush has alienated many conserva-



Bush campaigning last week in Corpus Christi, Tex.: pressure to appease the right wing

tives last week. Revering a previous stance, the President vetoed a congressional bill that limits defense spending in some areas. The bill, produced by the Democratic-dominated Congress, may provide Bush with ammunition for his contention that the Democrats are soft on defense. And Reagan retreated from his earlier threats to veto popular legislation requiring employers to give their workers 60 days' notice of plant closure. With both tarantulas, Reagan bowed to pressure from Bush campaign organizers.

But Bush's aides made a concerted effort to ensure that Reagan will not steal attention from the vice-president at the convention. Bush will not even arrive in New Orleans until the second day of the four-day gathering—after the President has made his closing-night speech and left for his California

home with his attempts to appeal to former Democrats who voted for Reagan in the last two elections. Some of them expressed shock when the non-president threw his support behind advocates of legislation to protect people with AIDS from discrimination.

Bush also outraged evangelical Christians and other opponents of abortion by inviting moderate New Jersey Gov. Thomas Kean—an advocate of a woman's right to choose an abortion—to deliver the convention's keynote speech. New Hampshire Senator Gordon Humphrey called the move "a colossal blunder" and "an affront to the right-to-life movement." And Humphrey has threatened to stage a walk-out during Kean's speech unless Bush picks a conservative retiring senator. Said Howard Phillips, chairman of the Conservative Caucus Inc., a Virginia-



Wall mural painted by private inmates near the New Orleans convention site: demands for the candidate to define himself

based think-tank. "Bush is making a real mistake. There are millions of Americans who are conservatives but who clearly are not getting any signals that their concerns matter."

Bush campaign workers recently made efforts to appease the party's right wing. Former candidate Pat Robertson, who has returned to his career as a televangelist on his Christian Broadcasting Network, waited two months for a reply to his offer to take a role in the convention. Finally, the vice-president's aides returned his call and offered Robertson a prime-time speaking slot. But many conservatives are still concerned by Bush's positions. And some conservative leaders are threatening not to mobilize their followers to vote for Bush. Said Virginia: "We don't yell and scream. We just go home and we fish and play golf. The religious right is registering new voters this year. Nobody's out there working."

Most analysts agree that Bush's fate depends on an increasing degree of his choice of a running mate. And in an effort to maintain the convention's suspense—and its television ratings—he will not announce his vice-presidential selection until the final night of the convention, Aug. 28. Polls indicate that Kansas Senator Robert Dole would help a Bush ticket most, particularly in the drought-stricken farm belt. But Bush aides say that their longtime dislike of each other and damaging television footage of their arguments during

the Republican primaries could risk destroying their current funds of unity.

Recently, eight of 10 leading Republican consultants urged Bush to pick the conservative's favorite candidate, New York Representative Jack Kemp, a former Buffalo Bills quarterback who offers Bush's reputation as a prep work. A longtime proponent of reaching out to blue-collar voters and blacks, Kemp could broaden the party's base. And as a former native of California, he could help Bush swing that key state. But campaign insiders report that the vice-president does not entirely trust Kemp to perform in office the way he himself served Ronald Reagan—with unerring loyalty.

Another favorite among conservatives, former UN ambassador Jeane Kirkpatrick, could lure voters from one sector of the electorate who rate Bush a central 32-point behind Dukakis's women. But Kirkpatrick's strong point, foreign policy experience, is similar to Bush's. And, so far, his efforts to shrink the so-called gender gap have failed. Even many Republicans turned his proposal for a \$16-billion child-care package for working mothers last month a case of political opportunism.

It is difficult to determine why Bush has had so much difficulty establishing a relationship with voters. Equally puzzling is why favorable economic news has not led to increased Republican support. Baker, hailed as the only

man who can now save Bush's campaign, is expected to push that message of peace and prosperity, which Republicans say were made possible by their economic policies. And paving the way to the convention, the Republican national committee last week launched a \$4.8-million television campaign, reminding voters of the times of inflation and energy shortages before Reagan. In one 30-second commercial, a seven-year-old girl perched happily on her family's doorman while an announcer said: "Would we ever want to go back to the way things were before she was born and risk anything as precious as her future?"

But the Democrats quickly countered with a commercial that underlined the sense of vulnerability that, polls reveal, even many well-off Americans now feel. That advertisement features toddlers playing in front of an American flag as the voice-over talks of the national debt and how the Republicans have strangled their futures. Indeed, as both parties embark on their three-month media battle for the loyalty of the electorate, the very complexity of the issues will inevitably force the spotlight back on Bush's most compelling challenge in New Orleans: telling the American public not where George was during the past seven years, but who he is.

—MARC MOLLER in Washington

The king's gambit

Until last week, the nightly news as Jordanian television included a full weather forecast for Jerusalem and the West Bank of the River Jordan. The TV weather map made no distinction between the Israeli-occupied West Bank and Jordan as the East Bank. Although Jordan lost control of the area in the 1967 Arab-Israeli war, Amman has maintained close ties with the West Bank's more than 700,000 Palestinian inhabitants, who carry Jordanian passports. But last week, the news

ad that a confederation between Jordan and a semi-autonomous West Bank might follow an eventual Israeli withdrawal. Instead, with Washington's support, has refused to open direct negotiations with the PLO, which regards as a terrorist organization. But Hussein's statement, which followed eight months of unyielding—violent anti-Israeli protests on the West Bank and among the Palestinian population in the Gaza Strip—appeared to leave the PLO as the only credible negotiating partner for Israel on the

would underline Jordan's vital role. But Arab Hussein, a leading authority on Jordan at Tel Aviv University. "He is trying to indicate to all and sundry, particularly to the Palestinians in the occupied territories and to the PLO, that it would be very difficult either to proceed in the peace process or to conduct the daily lives of the people on the West Bank without Jordan."

Relations between the king and his leader Yasser Arafat have been strained since the "Black September" civil war of 1970, when Palestinian radicals tried to overthrow him. Currently, more than 60 per cent of Jordan's 2.5 million people are Palestinians. An independent Palestinian state on the West Bank could exert a power-

Israel government is certain to oppose any attempt by the PLO to take over administrative duties on the West Bank performed, until last week, by Jordanian officials. "Arafat has to make some brave decisions," said Othman Hishik, publisher of the pro-Jordanian newspaper *Al-Nahar* in East Jerusalem. "Now is his time. Is he a truly strong leader or is he just a survivor?"

Jordan also created trouble for Israel's Labor party, which had made the so-called Jordanian option—Jordan's involvement in the West Bank's future—a main plank of the peace platform it will present to voters in the general election scheduled for Nov. 1. Labor party leader Shimon Peres, foreign minister in Israel's coalition government, insisted that Jordan would still play a role in the peace process. But the right-wing Likud bloc, which opposes giving up the occupied territories, seized on Hussein's announcement as proof that Labor's proposals were unrealistic.

The Palestinians themselves reacted to the king's speech with a mixture of joy and indignation. While most welcomed Hussein's recognition of the PLO

as their legitimate representative, many expressed anxiety about the practical consequences. Many families had relied on the salaries paid to West Bank civil servants by the Jordanian government. Still more depended

who were ruled by Egypt from 1948 to 1967 but never granted citizenship. "We shall be the Ghetto of 1983," said publisher Hishik. "Up to now we all were Jordanian citizens. But who knows how they are going to treat us now."

PLO supporters said that if Hussein was breaking with the West Bank to harm the PLO, he could not expect to reassert Jordanian influence whenever he wanted. "It is not a chess game," said Gabriel Bawsein, acting president of Baruch University, near the West Bank town of Ramatallah. "We are not pawns here. Hussein has taken a well-calculated decision. If he wants to reverse it, he cannot do it without our consent."

Two days after Hussein's speech, Jordanian television resumed its West Bank weather reports—in a shortened form. For those who hoped for a continuing Jordanian role in the territory, it was an faint sign that King Hussein's influence would continue to be felt over the Middle East's most badly disputed piece of land.

—MARCUS GREW with ERIC SILVER in Jerusalem



On the Atlatz Bridge looking the West Bank and Jordan, soldiers that may not have been as obvious as they seemed

program abruptly dropped its West Bank weather segment. The reason a dramatic broadcast announcement by Jordan's King Hussein that he was severing links with the West Bank and accepting the Palestine Liberation Organization (PLO) as the sole legitimate representative of the Palestinian people. "Jordan is not Palestine," the king said.

Hussein's surprise statement threw Middle East politics into turmoil. Many analysts had considered Jordan to hold the key to a peace settlement between Israel and the Arab world. Under a plan advocated by U.S. Secretary of State George Shultz, Jordan's government would have been the prime negotiator for the Palestinians. And some Israelis have suggested

future of the occupied territories.

Hussein, who said that cutting links with the West Bank would assist the "peace process" there, acted promptly. The king dissolved Jordan's parliament, 30 of whose 60 members represented the West Bank, and cancelled a \$1.5-billion development plan for the area. Four days later, Jordan announced plans to disperse more than 30,000 Palestinian civil servants working on the West Bank as teachers, social workers, clerks and health officials.

Still, Hussein's actions may not have been as decisive as they seemed. Far from trying to help the PLO, Hussein might have been handing it the impossible task of administering the West Bank—with hopes that its future

ful goal on Jordan's Palestinians and undermine the legitimacy of Hussein's Hashemite regime. "If Jordan does not play a central role in the determination of any Palestinian settlement," said Shimon Peres, "the Palestinians may end up determining the future of Jordan."

PLO officials were provoked into action by Hussein's announcement. After meeting through the night in Baghdad, the PLO central committee called for a special meeting of the organization's highest decision-making body, the 150-member Palestine National Council.

The king's action presents Arafat with a serious challenge. With Jordan out of the picture, at least temporarily, he faces pressure to negotiate with Israel. But radicals in the PLO oppose any compromise with Israel. And the



Hussein posing a serious challenge to the Palestinians

on the right to freely export farm produce and manufactured goods to Jordan. The future of trade and the status of Jordanian passports held by Palestinians remained unclear. But many feared that they would become the stateless residents of the Gaza Strip,

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BEYOND REACH

The crowd of 450 buyers stood, pushed and pleaded. The nervous developer called in police to restore order, but, by the end of the day, that frantic mass in April over the purchase of 341 condominiums on the north edge of Toronto had become another angry flare-up in the struggle over affordable housing in Greater Vancouver, Montreal and Toronto, home to nearly 10 million Canadians, the story is repeated over and over: for more and more young people, buying an acceptable first home is all but impossible. Said Vancouver secretary Laurie Bean, 55, who, along with her husband, Roger, 30, a carpenter, is now house hunting: "You can't even get a junk box for under \$120,000 in Vancouver."

OWN. With the exception of a few cities, including Halifax and Regina, housing costs are rising at an alarming rate. Spokesmen for the Canadian Real Estate Association say that the average price of a home in 26 cities across the country was \$236,115 in May—up by 16 per cent over the previous year. Leading Toronto housing analyst Frank Clayton said that almost one-third of the 1.36 million potential home buyers living in 10 major urban areas across Canada—but mainly in Toronto and Vancouver—cannot even afford a modest home. He added, "The dream of a single-family home is gone for many, many people." In fact, some industry analysts say that 85 per cent of all potential new homeowners will need a financial gift or a low-interest loan from a wealthy relative to help them buy a home.

Nightmare: In Montreal, where prices have risen by a striking 36 per cent over the past two years, even such high-income earners as dentist Andrew Hasegawa, 27, have been forced to live with their parents to accumulate enough money for a down payment. Said Hasegawa: "I stayed at home to save, save, save." And many others in Montreal are in a similar situation. Declared Guy Laporte, president of the Montreal Real Estate Board: "For \$70,000 you would only get a condominium in the houses." In Toronto, where prices



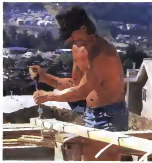
have declined in just four years to an average of \$322,969, the dream of home ownership has become a nightmare for many people.

Further aggravating the situation is the fact that, according to the Canadian Home Builders Association, mortgage payments on an average-price house consume 27 per cent of an average family's income—up six per cent in just three years. But that 27-per-cent figure is only an average for the entire country. In reality, many families are paying far more—in James Maeson, 31, and his wife, Juliet, 27, of the Toronto suburb of Scarborough are now doing. They have a combined income of \$50,000 and took out two mortgages to finance their \$117,000 townhome in the far reaches of Toronto's eastern suburbs. Their mortgage payments are now \$1,200 a month—more than one-third of their take-home pay. And they are even forgoing children. Said Juliet Maeson: "If we had a child, we would not be able to afford this house."

Interest Prices are being propelled higher by a combination of forces. Because mortgage interest rates have remained low as incomes increased, more people had recently been bidding on a constantly shrinking supply of affordable homes, driving prices up. And Canada's major cities—Toronto, Montreal and Vancouver—have run out of cheap land for new housing developments. As well, there has been a dramatic influx of new residents, both Canadian and foreign, into Vancouver and Toronto. As a result, many analysts now say that a two-tiered society is emerging in Canada—those with money and those without. And industry observers are divided over where housing prices are headed. Clayton says that

prices will level off over the next three years and then climb with the inflation rate. But others say that first-time home seekers may eventually succeed in finding more affordable housing because the great housing-price boom is about to climax in a round of interest rate increases and a major price drop. Said Andrew Williams, president of Toronto-based financial consultants Moran Capital Management Inc.: "There are some tough times ahead."

But currently, less than half a dozen are also pushing real estate prices up. Some experts on the Toronto housing market predict that property values there will continue to rise indefinitely in so-called middle-class levels, equal to those in cities such as London, New York, Tokyo and Hong Kong (page 30). Robert Dunat, president of the Toronto real estate asso-



Sellers' market in Toronto, building in Vancouver: two-tiered

ciation, says that many Toronto property

owners are now seeking the country for bargain properties (page 30). As they do, prices inevitably climb. Michael Geller, president of Vancouver development consultants Michael Geller and Associates Ltd., says that many Toronto property

speculators are now turning their attention to Vancouver, which they consider to be still underpriced. And last week, real estate agents in Atlantic Canada were calling for dramatic increases in property prices as development of the offshore oilfield was perceived by an infusion of federal funds to finance the project.

Canada's urban housing market is tracking an international trend toward higher and higher prices. In Tokyo, one of the world's most overvalued real estate markets, a 1,200-square-foot, two-bedroom house within 35 km of the city centre costs an average of \$49 million. In Paris, a 1,200-square-foot, two-bedroom condominium sells for an average \$381,000, up from \$152,640 in just five years. Leading London house prices have jumped by 24 per cent in the past year, pushing the average price of a London condominium to \$354,000. And in always-expensive Manhattan, an ordinary two-bedroom condominium or so-called apartment within 30 minutes of midtown by subway ranges from \$211,000 to \$331,000.

Stunning: Many Canadians who are concerned that those stunning prices will also wash over Canada are still scrambling to get into the real estate market (page 31). And that struggle is forcing many young couples to make difficult sacrifices. Vancouver's Roger and Laurie Bean are now saving money by renovating their rented home in return for a discount on their \$650 rent. When that is done, the couple plans to buy and renovate their own run-down house. Said Laurie Bean: "We are going to get the oldest, roughest house we can get for the least amount of money." Others, including Jamie Hargit, 31, and his wife, Brigitte, 33, owners of a small Vancouver furniture store, simply stopped looking when the only houses they could afford were listed at over five times the price. Said Jamie Hargit: "We have given up the dream of owning a house in Vancouver. If we want to buy, we will have to move our job out of the city."

The housing crisis is also forcing many first-time buyers to turn to

their parents for help. Ronald Webb, a 39-year-old administrator with the giant computer company, Wang Canada Ltd., and his wife, Julie, 36, purchased a new three-bedroom home in Stroud, 40 km from Toronto, last September for \$185,000. They moved in with her parents to save for their down payment and they say that they plan to remain there until their home is finished in November. For couples in their age group, that situation would have been almost unheard of a mere decade ago. Said Adele Webb, "Living at home again is difficult. Some days are worse than others are driving me nuts." Similarly, veterinarian John Birch, 36, and his wife, Lisa, 27, a nurse, whose combined yearly income exceeds \$60,000, borrowed \$260,000 from her father last March to buy a three-bedroom, semi-detached home in Scarborough for \$375,000.

Plunged: But waiting for the better deal in a hot market can be disastrous for first-time buyers. James and Julie Mason had a chance to purchase a three-bedroom detached home in Scarborough in the summer of 1986 for \$38,000. They said that they thought the price was too high and waited. When they finally plunged into the market last October, they were forced to settle for a 13-year-old, three-bedroom townhouse in the more distant Toronto suburb of Pickering for \$117,500.

At the same time, speculators who buy houses and who do not plan to live in them drive prices up as they flip their purchases in the exploding marketplace (page 25). In Toronto, Martin Altman, president of Martin Altman Ltd. Real Estate, which specializes in the sale and marketing of condominiums, said that between 30 per cent and 50 per cent of Toronto condominium projects are sold to investors who are

buying merely for speculative purposes.

And there is a perception, particularly in Toronto and Vancouver, that wealthy, recently arrived immigrants from Hong Kong are inflating the market. Said Hing "Chinese buyers are taking over." Although there are no available statistics to support such claims, one Vancouver real estate company estimates that a large number of the 1,200 houses sold in the first six months of this year in Vancouver went to Chinese buyers. And real estate agent Betty King of Vancouver says that 70 per cent of her clientele is made up of buyers from Hong Kong, who often spend \$600,000 on a new home in Vancouver's best neighborhoods in Toronto.

Realtors estimate that Hong Kong money is flooding into the city at the rate of \$1 billion to \$5 billion annually and that it is expected to be well above that rate by the end of 1988. Most of that money is moving into the city's robust residential real estate sector—in particular, condominiums. Said Harvey Kaufman, developer of the Toronto real estate firm, Norman Hill and Associates Ltd. "They are buying condos left, right and centre."

Fractured: Although the surge in housing prices is making existing homeowners wealthy, some analysts say that if it continues, Canadians living in major urban centres will be fractured into two sectors—those who have been locked out of home ownership and must rent, and those

who own homes that are doubling in value every five or six years. And financial entrepreneurs in British Columbia have already started to market investment programs that allow other citizens whose homes are paid for to tap their new wealth (page 31). In British Columbia the Canadian HomeIncome Corp., through a one-year-old program called the Canadian HomeShare Plan, backed by Bank of Montreal Life Insurance Co. of Vancouver, makes loans to retired people against their homes. The corporation will recover any outstanding money from the estate when the house is sold.

Mushrooms: For homeowners who have seen their houses mushroom in value over the past decade, retirement now comes earlier and is far more rewarding. As a result, cities including Nelson, B.C., and Kingston, Ont.—where real estate is comparatively cheap—have become retirement havens for people who are selling high-priced homes in larger cities and then buying cheaper residences in less-robust

markets. Said Nelson Mayor Gerald Borsavage: "We have many people selling their homes in Ontario and moving here." And Dale Enns, director of Toronto-based Investors Association of Canada, said that because wages are generally running behind the inflation rate, many people are turning to their home equity as a way of financing other investments or purchases.

Most analysts predict that housing prices will continue to move up at double rates—in Toronto, prices have increased by 11 per cent annually over the past 30 years, and nationally in major markets, double since 1972. But other industry observers say that real estate prices cannot continue rising without a downturn, as happened in Alberta seven years ago (page 28). Nancy's Williams is now warning her clients against heavy investments in real estate. He added, "My most optimistic view is that over the next five years, real estate in Canada could drop by 30 per cent."

Wages: Williams says that the economy, inflated by huge government and consumer debt, cannot continue to expand as it has. He believes that personal and commercial bankruptcies will hit the economy as a major recession occurs, and that, in turn, will bring down property values. He also argues that Toronto is particularly ripe for a full-blown recession because many people have gone deeply into debt to purchase their homes. And, Williams adds, housing prices have risen as high—and so rapidly—that an investment in real estate must now be considered "highly speculative." He also says that housing prices have grown much faster than incomes, which have been raising below the rate of inflation. As a result, he said, "people



Messinger, inside his swimming pool, scrambling for a costly dream.

are sinking deeper and deeper into debt to speculate on something that they cannot afford."

In fact, Williams says that the high cost of housing may actually aggravate a future recession because so many financial institutions, particularly trust companies, have mortgaged themselves of Canadian homes. If homeowners can no longer support high mortgages, he said, defaults

declared. "People may find that they will be walking away from their homes, unable to pay for what they thought was a great investment."

Potential: But other housing analysts say that inflationary prices will support home sales and will continue to be a profitable investment. In the short term, though, they predict a leveling off of prices, followed by increases roughly matching the rate of inflation. Housing analyst Jack Clayton said that prices will only come down sharply if there is a repeat of the 1982 recession. To not panic dramatically, he said, and that the economy would have to slump and immigration to Canada's major urban centres would have to slow down. He said that he does not foresee happening. But without a dramatic downturn in house prices, the dreams of millions of Canadians will remain just that—a fantasy.

—TIM FENNEL with
DEAN LUCKMAN
Interviews: JOHN DAILY and
JAMES JENNIS in Toronto
and metropolitan areas



DiPietro and Robert Hutz of Vancouver, anticipating an ownership.

RAISING THE ROOF

The average price of a single-family home in six major Canadian cities.



Source: Canadian Real Estate Association

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Sharon H. Henderson, Design
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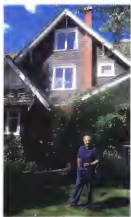
FIGHTING BACK IN CALGARY

The thousands of Calgarians who rode the city's roller-coaster real estate market from the late 1970s to 1985 are only now starting to recover from the experience. Re-

called Michael Voss, president of Calgary's Woodland Realty Ltd., "Anything you built, you could sell. People could not see that the boom had to have a lull." With oil prices skyrocketing to \$40 a barrel in 1981 from \$8 in the early 1970s, hundreds of thousands of people flocked to Alberta to work in the oil and gas sector. That sent house prices soaring—and crashing when oil prices fell. Voss says that the currently burgeoning Toronto real estate market reminds him of the once-booming Calgary industry. He added, "Thousands have no real idea where they will find themselves in a few years."

One still, although many experts say that the Toronto market, where house prices have doubled in four years, is set to level off or even to decline sharply, few analysts are predicting a Calgary-style collapse in the Ontario capital. In boom-time Calgary, speculators fanned the idea of a perpetual economic boom, and forecasted that oil prices would rise to \$90 a barrel by the late 1990s. Many bank and credit union officials responded to the optimism by lending almost indiscriminately to speculators, land developers and home buyers. As a result, when oil prices began plummeting in 1984, the real estate market also collapsed. Within 18 months, the value of Alberta's \$35,000 homes had dropped by \$10 billion or about one-

quarter of their previous face value. From a peak of \$107,736 in 1981, Calgary's average residential sale price sank to \$80,458 in 1985, before climbing back to \$104,359 at the end of July, 1986.



Valente's "anybody had a story to tell at parties"

The decline in both commercial and residential Calgary real estate was reflected in the number of surviving members of the Calgary Construction Association—the three that built Calgary's office towers. Its membership peaked at 860 in 1981, dropped to 600 three years later and now stands at just 518. As the construction companies reconstructed financial difficulties, the power of unionized construction unions also declined.

Real estate prices fell so low and so

quickly that firms holding the mortgages on much of the commercial and residential properties were quickly dragged under. Two banks, the Northland Bank of Calgary and the Canadian Commercial Bank of Edmonton, went bankrupt in 1985, and most of Alberta's credit unions were swept only after an expensive provincial government rescue, which still requires them to be rigidly controlled. The casualty list also included the huge residential real estate developer No-West Development Corp. Inc. and Caran Developers Ltd.

As the oil-price collapse caused a wave of foreclosures and layoffs in Calgary, inflation propelled interest rates to as high as 9.9 per cent from a 1972 low of 8.15 per cent. And, as unemployment mounted, hundreds of Albertans simply walked away from their homes, protesting from personal liability under Alberta's mortgage laws, they often sold their homes for \$1 to so-called dollar dealers.

The core of the real estate price collapse remains in the abandoned shell of downtown Calgary's Janssen Centre office complex and in a vacant lot in the city's beltline area adjacent to the downtown. The lot sold for \$3.25 million in early 1983, and, later that year, developers bought it for \$4.8 million as a site for an eight-story office tower. However, it sold in June of 1984 for only \$608,000.

Skyward: But before the collapse, high wages and the influx of workers into Alberta had driven real estate prices skyward. Renowned Realtor Valente, a dentist who paid \$97,090 for his 2 1/2-story, 2,000-square-foot Calgary home in 1987 and was offered \$100,000 in 1989: "It was crazy. Everybody had a house story to tell at parties."

Still, the Calgary economy is showing signs of rebounding. Calgary Real Estate Board spokesman George Lightbourn says that prices have been recovering this year and that the board has sold more homes in May and June than in any similar time period in civic history. But economist Campbell Watkins, president of Calgary-based Incostrux Ltd., said prices will have to rise higher to match the boom. Rod Watkins: "There has been little or no appreciation of home prices over 10 years. Or, in other words, allowing for inflation, Calgary values are 70 per cent below what they would have been had they kept pace with inflation." Indeed, although prices are rising in the southern Alberta city, Calgary's booming real estate market is still a distant memory.

—JOHN BOWSE in Calgary

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GAMBLING WITH THE WALLS

Even Mendel Green, a Toronto lawyer who specializes in finding Canadian real estate for offshore investors, was impressed. In May, Green's firm sent a driver to Pearson International Airport in Toronto to pick up four representatives from four of Taiwan's richest families, who were interested in doing a little shopping. But instead of the Eaton Centre, the visitors wanted to see homes, condominiums, office buildings and shopping malls. The group spent the day cruising through Toronto's residential and business districts. When the shopping spree was over, they had spent \$11 million to buy four large houses, four condominiums, a small shopping mall and an office building.

Red-hot: Wealthy Taiwanese speculators are earning huge profits by buying and selling properties in the red-hot Vancouver and Toronto real estate markets. And so are Hong Kong residents, who are preparing for 1987, when the British colony reverts to Chinese rule. They are pouring billions of dollars into Canada to buy real estate at what they consider to be bargain prices. But the market of real estate speculators also includes Canadians who are buying strings of condominiums, apartments and homes, only to resell them for a quick profit.

Escalating: The rapidly escalating markets over the past five years, particularly in Toronto, have fueled the boom in widespread real estate speculation. Wayne King, vice-president of Brethour Research Associates Ltd., an Ontario real estate research firm, says that the speculation increased especially following the stock market crash last October, which drove many investors looking for quick capital gains out of stocks and into real estate. And both developers and real estate agents say that gambling on rising property values is one of the reason home



Chiu and Albert Wong, Green (bottom) shopping for condominiums

prices in Toronto and Vancouver are now out of the reach of most first-time buyers.

Nationally, the speculators have been most active in Toronto's con-



dominium market. King estimates that 60 per cent of sales in some downtown Toronto condominium buildings—and about 90 per cent of some suburban developments—have been sold to residents who have no intention of living in them. But the second-tier speculators are also common in Toronto's predominantly single-family subdivisions. They buy new homes and then immediately put the property up for sale while they look for their next house or condominium. And, in some cases, investors are reselling condos or detached homes before they are even completely built.

Chinese: Wealthy Hong Kong residents, who are encouraged by federal immigration laws to seek Canadian citizenship, are the major participants in real estate speculation. Frank Chiu, president of the Toronto real es-

tate company Goldyear Realty Inc., says that new Chinese investment in Toronto real estate in 1985 has already outstripped the 1987 total of \$2 billion. Hong Kong families, unsure of what will happen when the Chinese take over the colony in 1997, have been pouring their money into Canada. David Harvey Kaufman, director of sales for Newness Hill & Associates Ltd., a Toronto real estate company, "In my mind, the influx of Chinese money is the biggest single factor driving the Toronto real estate market." Eager to develop a business presence in Canada, Chinese investors, primarily from Hong Kong, are among the condominiums and houses for relatives who have immigrated to lay the groundwork for the family's business in Canada. But often, the condominiums are simply investment properties that are rented out or that sit empty until prices have climbed enough to sell for a healthy profit.

Chinese investors in Canadian real estate exhibit an unusual style, because, although they are shrewd han-

business, they also are careful not to ignore Chinese customers. As a general rule, they will not buy properties with the number four in the address—*yin* Chinese the number four means death. Houses facing churches are unpopular because they supposedly bring bad luck. So are homes located at the end of dead-end streets. Said Kevin Yee, a Toronto Royal LePage Real Estate Services Ltd. agent with hundreds of Chinese clients: "People follow these customs even if they don't believe in them. After all, why take a chance on buying resale value?"

Pressure: The growing number of property speculators in Toronto has put pressure on the Ontario government to intervene to control wild price rises. Although the provincial cabinet has yet to act, some developers and real estate companies have instituted their own tough rules to curb speculators. Many developers are attempting to discourage flips, or quick resales, by stipulating in the sales contract that the buyer must take possession of the home before selling the property. Some builders also refuse to sell more than one unit to the same buyer. At the same time, the provincial New Democratic Party has asked the Ontario legislature to levy a tax on profits made from speculation, but no such law has been passed to date. Last year, Royal LePage, Canada's largest real estate company, stopped accepting property listings in which the seller had not yet taken possession of a purchased home. And Tridel Corp. recently instituted regulations at a new development that require owners to move into their sales between the date of possession and the date of closing.



Crowded Tokyo home less space for the money

month at \$30,000 a month. And these seem to be no threat to the prices investors will pay for land in Tokyo. Canadian-born Tokyo real estate agent Kenichi Arbour says up to \$3 million in speculative last year and expects to do the same this year. Said Arbour: "It can be argued that Greater Metropolitan Tokyo is worth as much as the entire continental United States. It boggles the mind."

And although the government is trying to discourage—it has even proposed to remove the national capital out of Tokyo altogether—many residents do not want to leave the bustling, wealthiest

city in Japan. After the government announced plans to move 70 of its services out of Tokyo, some bureaucrats are advising against an overseas heads-tried to avoid being selected for the move.

As Tokyo's real estate prices rise, the middle class is left far behind. A single detached house 30 or 40 km from Tokyo Station—the figurative center of the sprawling city of 8.4 million people—costs an average of \$430,000. A similar house 30 to 40 km from the station is for sale at \$4.9 million. Apartment real estate agent Kamboku Fujita, 30, lives in a company-subsidized dormitory in Tokyo. He said that he and his colleagues have given up hope of ever owning a house in or even near Tokyo.

Melbourn: And in Hong Kong, another booming Asian capital, where average real estate prices rose by 50 per cent in the past year, even modest accommodations are reaching new price levels. A large apartment in a prime area can sell for up to \$1 million.

Many new Hong Kong properties hit the market at prices before construction is even completed. Discovery Bay, a development on the island's outlying islands, opened eight new high-rise towers last month. All of the apartments were sold before the ground was even broken and many were bought and resold four or five times before the official opening. That scenario is beginning to repeat itself in some large Canadian cities, as Hong Kong's boominess spills into Canada along with a flood of new immigrants. And some analysts say that Toronto and Vancouver housing prices may even reach those of the Asian capitals. If that happens, many Canadians, as many of their Asian counterparts already doing, will be saving for years just to own a small condominium.

—PATRICIA CROOKMAN with
GEOFF ELLIARD in Tokyo and
JOHN KEATING in Hong Kong



Herdwick and wife, Jean, taping home equity to embellish their retirement

GILDING THE GREY WAVE

Ernest Knoff's \$200,000 home sits on a mountainside in West Vancouver, commanding a sweeping view of the Pacific Ocean. Knoff, 71, a widower for six years and a retired contractor, has lived in the affluent Vancouver suburb since 1968 when he paid \$20,500 for his two-bedroom house. Knoff said that he has become attached to his home with its large garden, two oak decks and pleasant neighborhood. He added that he wanted to stay in the house as long as his health allowed but that his monthly pension income of about \$1,200 was not enough to land the kind of lifestyle he enjoys. But Knoff found a way to fund his retirement by mortgaging some of his home's constantly escalating value. Under a new financial program geared to senior citizens that uses a mortgage on a senior's home to fund an annuity, Knoff has

added \$942 to his monthly income and says that he plans to use the extra cash to travel, a hobby and to entertain his girlfriend, said Knoff. "The plan is great. Life would be pretty tight without it."

Borrowing: Many other senior homeowners have watched the value of their homes rise to spectacular levels in the past decade while their retirement incomes have remained flat. The problem has worsened, particularly in Vancouver, which has both a booming real estate market and one of the fastest-growing senior communities in the country. Like Knoff, many property-rich but cash-poor senior citizens are reluctant to sell their homes and move into less expensive—but often unfriendly—neighborhoods. Said Frances Herdwick, 58, a retired history professor who lives in the upscale Kitsilano district of Vancouver and who

has resisted pressure to sell her \$250,000 house: "They will have to carry me out dead."

But fixed incomes, coupled with an annual inflation rate of about four per cent, can result in a pressing need for cash. That growing need prompted chartered accountant William Turner, president of Vancouver-based Canada Homecare Corp. (CHC), to launch the new, mortgage-backed annuity for older homeowners.

Greatness: The program's potential is huge. In Vancouver and Victoria alone, it is estimated that there are 150,000 homeowners over age 65 who control real estate worth approximately \$9 billion. And they are people, Turner said, who can be surprisingly active and creative about their spending. He added that many are "using the money to pay projects off the shelf," such as air equipment, cars and vacations. Others are using the funds for family support, including caring for disabled spouses at home. The new plan, licensed for operation only in British Columbia, is backed by Vancouver-based BankSouth Life Insurance Co. Clients must be 60 years of age or older and own homes that are almost mortgage-free. Annuities typically start at 15 per cent to 60 per cent of the home's appraised market value. The income is paid monthly, including interest at the rate of 10 per cent, and is secured by a 12-per-cent mortgage on the house. The mortgage debt simply matures and is repaid when the home is sold. The 10-per-cent interest paid on the annuity is also tax-free, an income-tax advantage intended to help older Canadians remain financially independent, but which has also attracted offshoot investors looking for a safe bet. One recent client with a \$2-million home does not need the cash but is instead looking for a tax break. The monthly income from this client's annuity could be as high as \$4,500, including the tax-free 10 per cent.

Turner acknowledges that the program is "possible and popular," especially in affluent real estate markets in which steadily increasing home values compensate for the new mortgage debt. But more critical is the independence and flexibility the annuity can give to older Canadians, he said. Many among Canada's growing number of senior citizens may grow older a lifetime of hard work, mortgage payments and other financial obligations. Fewer retired people will likely apply for a frugal old age when they find that they now have the key to assets that have long been locked away.

—PATRICIA CROOKMAN with
FRANCO O'BRIEN in Vancouver

PRICE BOOM IN PARADISE

Wanted: a summer cottage on the water for renting, a luxury boat and, if remaining a dream, a dune buggy. If not, a scenic or a lake is rapidly passing beyond the reach of all but the most affluent Canadians. At popular Lake Muskoka, 160 km north of Toronto, what real estate agents call a "modest" cottage with 88 metres of lake frontage costs about \$300,000. On the spectacular Gulf Islands off British Columbia's coast, a piece of shoreline costs \$200 to \$500 a foot. And at exclusive Chester, N.B., about an hour's drive west of Halifax, a sprawling home on the water costs as much as \$1 million.

Overheated: The huge price tags have done little to cool the demand for property in Canada's most desirable vacation spots. On the already renowned shores of the most popular lakes north of Toronto, demand for cottages and undeveloped land for outposts supplying food has climbed by a staggering 40 per cent over the past two years. Real estate agents who speculate in British Columbia's Gulf Islands at Nova Scotia's south shore are doing a booming business and while Canadians cannot afford, most wealthy foreigners consider to be a bargain, Canada's "vacation playground"—Prince Edward Island—is a tempting target for New Englanders reluctant

to pay sky-high prices for summer homes on the United States' Atlantic coast. Meanwhile, the land in Nova Scotia is also being picked over by bargain hunters from Massachusetts, Connecticut, New York state—and even West Germany and Scandinavia—who are delighted at how far their dollars go in Canada. Mahone Bay, N.S., real estate agent Robert Douglas, who specializes in selling ocean frontage and islands off the coast of Nova Scotia, says that he receives about 20 inquiries a week from U.S. residents interested in buying land in Canada.

It was not always so difficult for Canadians to find reasonably priced vacation properties. Just two years ago, the cost of property in what is known as Ontario's popular "cottage country," just north of Toronto, was about

half of what it is now. But Diane Har-

vey, an agent for Sotheby's Lake Country Realty Inc., says that strong demand from prosperous Torontonians has made it almost impossible to buy an attractive cottage on one of the larger lakes in the area for less than \$100,000. Similar cottages, in fact, are actually disappearing as wealthy buyers level them to make room for weekend mansions that can cost as much as \$2 million to \$3 million. Meanwhile, in British Columbia's coastal islands,

real estate developers. The provincial government restricts out-of-province newcomers to a maximum of five acres with 50 metres of shore frontage. Nevertheless, who wish to buy more must seek permission from the provincial government. But Leonard Mel, president of the Prince Edward Island Real Estate Association, says that government approval is easily obtained if the buyer does not intend to subdivide and develop the land.

For the right amount of money, buy-



Douglas off the Nova Scotia coast, cottage lots and islands for the hurried city dweller

where an average cottage on the waterfront costs about \$150,000, prices increased by 20 per cent this year. **Bargains:** But astute buyers can still find bargains. In Ontario's Haliburton district, a 21½-acre drive northeast from Toronto, there are waterfront cottages available at a fraction of the cost of those in the nearby Muskoka region. But the biggest return for the dollar is probably available in Atlantic Canada, where real estate prices are traditionally among the country's lowest. On Prince Edward Island, a 60-acre piece of land with 90 metres of ocean frontage on the specially populated east or west coast sells for only about \$25,000.

Despite such relatively bargain-basement prices, there is little concern in Prince Edward Island that Canada's smallest province will be flooded by

outsiders can even purchase a whole island off Nova Scotia. Halifax real estate agent Robert Douglas last week was offering Sackville, a 10-acre wooded island in Mahone Bay, for \$125,000. And even better deals are available east of Halifax, where one 100-acre island is listed at \$75,000—including a lighthouse—and 35 acres on the mainland with 284 metres of ocean frontage is on the market for \$100,000. But Douglas. "The prices in Nova Scotia have increased but they started at such a low base that our land is still dirt cheap compared to vacation areas in Ontario, British Columbia and New England." But as property prices elsewhere continue to climb, it may be only a matter of time before all the bargains in paradise disappear.

—JOHN MCINTYRE

MINING GOLD FROM HOUSES

In the spring of 1986, Laine Markie was a 20-year-old bank teller earning \$13,546 a year. Frustrated by the limitations of her job, she noticed that local real estate salesmen would share deposit commissions because for thousands of dollars into their accounts like father, a partner in an independent realty firm based in Uppsala, Ont., urged her to try selling real estate. In July of that year, she took his advice, left her job and enrolled in a real estate sales course. By November, she was taking real estate courses in the first four months, she had earned more than \$65,000 in commissions. Last year, her earnings amounted to more than \$100,000. This year, she says that she expects to earn even more. Laine Markie. "I want to have my own real estate company by the time I'm 25."

Striking: Seeking to emulate that impressive success, thousands of would-be real estate entrepreneurs are lining up throughout Canada to enter community college courses with hopes of striking it rich. But many real estate agents say that the rewards for most of the hopefuls will not be spectacular. Real estate face cutthroat competition from established agents, and many angry consumers are saying that commission rates set for too high by the Federal Bureau of Investigation. Policy are now investigating several Canadian real estate boards to see if they have engaged in commission price-fixing. At the same time, many homeowners are trying to avoid paying commissions by selling their own houses or turning in alternative home-marketing firms.

High-priced: The standard five-per-cent sales commission on the average Toronto resale house price of \$122,969 is \$12,556. As a result, unprecedented numbers of homeowners are taking courses that are required for a provincial sales license. At George Brown College in downtown Toronto, summer classes with room for 350 students were fully booked within three

hours of when registration began. But many real estate agents say that they suspect the cause of the huge growth in newcomers for a few days or even a few hours' work. Marvin Bergeson, vice-president of the Canadian Real Estate Association, for one, said that about two-thirds of real estate sales agents earn less than \$10,000 a year and only about 15 per cent earn more than \$20,000. Still, the public perception that commission are too high persists in response, Consumer and Corporate Affairs Minister Harvie Andre announced last May that a number of real estate boards were being investigated to determine whether or not they were violating the Competition Act. Some real estate boards have already written letters to the Multiple Listing Ser-



Markie and daughter Laine: making a fortune in Toronto real estate

vices—a computerized information-sharing system whose trademark is owned by the Canadian Real Estate Association. Narrowing the salesmen's markets lowers commissions. Borealis in London, Ont., Windsor, Ont., Calgary, the Greater Vancouver suburb of Fraser Valley and a number of western Quebec communities, including Hall, are among those under investigation.

Toronto Real Estate Board president Ed Hsu said that the board does not try to discourage buyers from setting their own commission rate they wish. But Elaine Wall, president of Toronto-based Borealis & Wall Realtor Ltd., said that the Toronto real estate commission is excessively expensive. "It's a private club," declared Wall. "Although the commission is not fixed, it might as well be."

Selling: But many owners who try to avoid paying commissions by selling their homes independently fall—even in such hot markets as Calgary. There, bus maintenance worker Douglas Taylor promised prospective buyers \$10,000 in savings by listing his home privately. But Taylor did not receive an offer at his price of \$72,900. In July, he listed the house with a RealMax agent for \$75,900.

But there is another alternative to traditional real estate agents: a fee of \$250 and a guarantee of \$1,780 on closing, Massamung, Ont.-based Ad-Mark Home Selling Service offers to create a photo and video presentation of a seller's home, as well as provide local newspaper ads, a lawn sign and access to a computerized list of potential buyers. Despite the new competition and rising consumer complaints, many real estate agents say that their livelihood is not threatened. And with new sellers desperate to obtain the best possible price in a rising—and often confusing—market, real estate agents can likely count on the continued patronage of Canadian homeowners.

—JOHN DILLI

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Topping up in Toronto. Blair (below) priority of oil, and cash in the bank

An oil giant for sale

In the Calgary oil industry, Texaco Canada Inc. has always been known for its independence. But last week, Canada's fourth-largest oil company was searching for a new owner. Several companies were lining up to make offers for the 78 per cent of Texaco Canada shares being sold by U.S. parent, Texaco Inc., of White Plains, N.Y., in what will rank as one of the largest transactions in Canadian corporate history. And investors, apparently anticipating a bidding war, pushed up the price of Texaco Canada shares by \$2.15 to \$27 on the day that the announcement was made. Said Richard Carl, a senior vice-president at Toronto brokerage firm Merrill Lynch Canada Inc. "The shorts are circling."

Executives of Texaco Inc., who are aggressively selling off assets, are parting reluctantly with the Canadian subsidiary. Texaco was able to escape from bankruptcy earlier this year only by agreeing to pay \$1.6 billion in compensation to Pennzoil Co. for having interfered with its takeover of Getty Oil Co. Then, in June, Texaco played a special \$2-billion dividend to shareholders to repay U.S. creditors under Carl Loken, Texaco's ousted manager and joint venturer in hold on to its lucrative Canadian assets. But, in the end, it was forced to yield to its own acute financial problems. Said Texaco Canada spokesman Brian

Hay: "It was the logical thing to do."

Last week's long anticipated sale announcement touched off a flurry of activity among major energy companies in Calgary and Toronto. Robert Haas, chairman of Calgary-based Nova Corp., declared that he intends to purchase Texaco Canada through Hasty Oil Ltd., which is 65-per-cent owned by Nova. Officials for Canadian General Petroleum Ltd. in Calgary also indicated interest in making a bid. But analysts say that the list of potential bidders could also include Imperial Oil Ltd., PetroCanada, Papyrus Ltd., Shell Canada Ltd., Gulf Canada Resources, Suncor Inc., Bow Valley Industries Ltd. and Petro-Canada Inc.

Analysts also say that buying all of Texaco Canada's 190.8 million shares would cost between \$4 billion and \$5 billion. But it may be worth the price. Texaco Canada owns two oil refineries and 1,810 gas stations, and—although its oil reserves are declining—it still produces more than 300,000 barrels daily of low-cost oil. Adding to the allure, it currently has about \$1 billion in cash on hand, which could be used to

take on competing to replace reserves. Still, Texaco does own a share of some of Alberta's largest oil and gas fields, including the Elmworth gas field and West Pembina oil reserve, which has helped make the company Canada's fourth-largest oil producer and 14th-largest gas producer.

Potential acquirers would face some treacherous barriers—including the Canadian government. Although Texaco is controlled in the United States, a foreign buyer would have to pass Investment Canada scrutiny by spending money on exploration and giving Canadians an opportunity to invest in the acquired company. An even greater difficulty for foreign buyers may be the federal Competition Branch, which might not accept removal of competition from the gas-refining market. If Imperial or Shell—both possible suitors—purchased Texaco's service stations, a

buyer with substantial refining and marketing operations would be blacked out to sell of Texaco's refineries and service stations to stay within competition rules. If that happens, Texaco Canada will not merely have a new owner—it will also be a new company with a low national profile and far less influence in the Canadian oil industry.

—JOHN DAWSON with
MIAN BURTON in Calgary



JOHN DAWSON

MIAN BURTON

MIAN BURTON

reduce takeover costs. Texaco's decision to enter the Canadian oil industry has proven to be a profitable one. In 1988, officials from Texaco Co.—Texaco's predecessor—appeared at the annual meeting of McColl-Petroleum Oil Co., a Montreal-based petroleum refining and marketing company, announced they had been secretly buying shares and overhauled the company's board of directors. McColl-Petroleum eventually became Texaco Canada And, in 1988, it merged with a wholly owned Texaco subsidiary, Nova Exploration Canada Ltd., in Sun Texaco Canada Inc. Some analysts claim that the company is more concerned with making profits for its New York parent

BUSINESS WATCH

The rewards of going native

By Peter C. Newman

A couple of incarnations ago, as editor-in-chief of *The Toronto Star*, which then considered itself—and still does—the house organ of Canadian nationalism, I was writing a weekly essay series on multinational corporations that my office became a regular part of call for the American corporate barons then (and now) gloating at Canadian industry. These early, Gunguis Khan came by the door. The writer I remember best was Joseph Colman Ltd., head of the huge Pepsico-Macmillan conglomerate, which was taking a run at Carling O'Keefe. An avowed Texan who lauded as if he made love with his boots off and who kept coming in his face into discussion with the working advertisement "Tadon my French," Colman had obviously been briefed.

His first move must have told him that the Star was in a campaign against nationalists to hire indigenous boards of directors and buy back stock in the Canadian subsidiaries. It had to be that, because when I asked about his intentions if his company acquired Carling, Colman looked as pained as if he had just been dealt a winning poker hand. "Oh," he said. "Don't worry. We're going native on the deal."

Colman and his posse of sycophantic marauders have recently vanished from the scene, but the takeover continues. Among the largest and most significant recent buy-outs was the \$1.6-billion purchase by Allied-Lyons of Hiram Walker-Gooderham & Worts Ltd. of Windsor, Ont.—and, just as Colman represented the worst of America's frontier corporate ethos, so David Hadden-Brown, chairman of Allied-Lyons, is typical of the best of the new breed of sophisticated global entrepreneurs.

Allied is the world's fourth-largest (but second-most profitable) distiller and Britain's second-largest brewer. Its agencies 1,900 British pubs and its various subsidiaries make such famous products as Double Diamond beer, Harp's sherry, Tinker's scotch, Topley and Beau-Roberts ice cream. The Walker purchase gave the British company the right to market such well-known labels as Ballantine's, Canadian Club and Courvoisier—as well as being able to use Walker's well-developed North American selling organization to distribute its existing brands.

Unlike most parent companies who take over going Canadian concerns, Al-

lied has listed itself in the Toronto Stock Exchange (its issuing 113 million shares) and instead of firing the chief executive officer of its new subsidiary, has placed him within the top of its head-office schedule. Sir Derrick, chairman of Allied since 1982, ranks high in the British business establishment but was not born into it. He left school to join the Royal Navy (after studying for one year as an accountant) and served in the North Sea, Mediterranean and



Sir Derrick wary of the wrong signals

Admitted to a rise in his first command in 1943. "My management style hasn't changed since," he told me in his London office. "I wanted to have a ship that was efficient, successful and happy. A good team, whether it's on a warship or in a company, needs face-to-face communication at very frequent intervals."

After the war, Sir Derrick joined Hiram Walker's London office as a management trustee and stayed for five years, before his wife and the company he would buy nearly four decades

later. He moved up through British breweries and distilling firms, earning enough points to be knighted by a Labor government in 1979, although he has since become an ardent Thatcher enthusiast and adviser. Photographer Lord Snowden has been hired to chronicle his company's annual reports.

Sir Derrick's Walker purchase was the result of two married takeover artists. Australian financier John Elton's Eldon Ltd. was threatening to swallow Allied, and the Canadian takeover suited as a poison pill by turning the British company into too big a pill to swallow for the Aussie's tastes. Meanwhile, the Beckwiths had launched their own takeover attempt through Gulf Canada. Since the Allied takeover, Clifford Hadden, Sir Derrick's son, has moved across the Atlantic as the parent company's chief financial officer, while David Beatty, the former British chairman of Harveys of Bristol, has been assigned to run the Windsor company.

One of Sir Derrick's main problems was to reach an accommodation with the Beckwiths, who do not appreciate having profitable enterprises snatched from their grasp. The Beckwiths owned 49 per cent of Walker stock from the original struggle and, last December, agreed to swap it for—eventually—10 per cent of Allied's second stock. That makes the Canadian real estate tycoon Allied's largest shareholder and, not unreasonably, the same of power. The Beckwiths are used to the boardroom to play. "They didn't really ask for it," said Sir Derrick, "and I did not see that such a move would suit the wrong signal to the world at large because we have other major shareholders. They didn't press the matter at all, and although we do have a standard agreement, I don't regard my partnership as having been terminated."

Perhaps because Sir Derrick is so determined to maintain his own company's independence, his handling of Walker's has been relatively benign, and the Canadian company is flourishing under his direction. Last year's after-tax profit of the British holding company reached \$1 billion for the first time, up a starting 30 per cent from the year before. Most of the jump came from the Canadian operation—and that is where a substantial portion of the future expansion funds will be invested. Perhaps when Sir Derrick's son takes the company to go native, after all.

USA Today—the television sequel

Six years ago, the U.S. communications giant Gannett Co. Inc. launched an ambitious new venture—an upstart daily newspaper that is distributed five mornings a week in cities across the United States and Canada. USA Today now sells an average of 1.68 million copies a day and has earned the grudging respect of many journalists, who admire the paper's organization of information while attacking its relatively superficial handling of news. Now, in the consideration of its critics, Gannett is preparing to launch another unusual venture. Starting on Sept. 22, television stations in more than 180 U.S. cities will begin carrying a syndicated show entitled *USA Today: The Television Show*. With U.S. network news organizations under heavy pressure to win wider audiences, critics have expressed concern that the show will hasten the trend toward more shallow TV news programming—or, in a phrase being used by U.S. media critics to describe the trivialization of television news, "sensational journalism."

When USA Today was launched, its colorful graphics and short articles were inspired by TV news techniques. Now, the effort to translate the newspaper's winning formula onto the screen will result in a 30-minute TV program emphasizing human interest themes and celebrities rather than the more detailed national and international news reports that are the staple of serious newspaper and television news. According to Gannett publications, a typical program might start with a 400-second feature story (perhaps "Kids taking care of parents: a role reversal some of us live") and move on to a personality item followed by two minutes of what producers call "animated fun facts." Each program will include what executive producer Steven M. Friedman calls "the journalism of hope," which would emphasize the survivors—rather than the casualties—of an air crash. Bud Robert T. Sutton, president of Tampa, Fla.-based Media General Broadcasting Group, which owns three television stations, "USA Today could change the way networks do newscasts."

That is what worries some proponents of serious television news who are already alarmed about the drift away from serious news coverage that is apparent in some U.S. news and, to a lesser extent, Canadian broadcasting. Bud Fred W. Friendly, a former head of CBS News who is now a presidential

professor at New York City's Columbia University, "I have always thought of USA Today as a television program you can wrap folk in. This completes the circle."

The criticism has not discouraged Arlington, Va.-based Gannett from go-

The new program will be produced by a subsidiary of GTC Entertainment Inc., a firm jointly controlled by Gannett and Grant Tinker, a former president of NBC. Gannett, which has already spent \$54 million preparing for the launching of USA Today: The Tele-



Hosts Bill Macatee, Kevin Young, Kenneth Walker, Edie Magnus: newsy news

ing ahead with a project that will involve heavy financial backing as well as an impressive array of talent. Gannett, the \$4.27-billion media empire headed by hard-driving chairman Allen Meistrick, 64, currently publishes 80 daily U.S. newspapers, including *The Los Angeles Examiner* and *The Detroit News*. The corporation also owns 26 television and radio stations, including WUSA-TV in Washington, D.C.

vision Show, plans an annual operating budget of \$150 million.

Indeed, Gannett's new program will pose an immediate threat to network news programs in some parts of the country. Officials at WUSA-TV say that they plan to broadcast USA Today at 7 p.m., displacing the CBS Evening News. WUSA, Don Fisher, which will move to the less-watched 630 p.m. time slot. If other stations follow suit, it will be as-

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The sooner, the better.

either damaging (due to the prestige of U.S. network news operations, which, critics say, increasingly are moving away from serious news and analysis toward shorter and more frivolous items). The trend is the result of converging forces. Because of poor ratings and declining advertising revenues, the major U.S. networks—CBS, NBC and ABC—have been forced to operate with reduced budgets and fewer reporters.

Some media experts also say that the changes reflect a wariness on the part of viewers who apparently want a break from the bombardment of information on network and cable television. In search of something lighter, many Americans are turning to game shows and other lighter entertainment. "People are saying that they have had enough," declared Robert D. Jacobs, president of the marketing arm of CTV Entertainment Inc. That trend concerns many observers of American society and its news organizations. Last month, the highly regarded *new*'s fashion magazine *Q* published an article by freelance writer Ben Pivner pointing to the threat posed by men's. Thanks to narcissism, predicted Pivner, "all the disposable and maniacs of the modern world seem to dissolve into a computer graphic."

So far, similar moves away from se-

rious news reporting have been less noticeable on Canadian television. On Sept. 3, the privately owned CTV network will expand its evening national news broadcast to 30 minutes from 20 minutes. John Owen, chief news editor for CTV Toronto's *The National*, said he thinks that viewers "tend to see us as a news program of record, and I think they expect insights from us about things they might not know about."

Still, George Rains, the *Montreal*'s columnist who is a former director of the journalism department at Hamilton's King's College, says he has noticed that the *new*'s *Journal* has begun showing "more popular news, a lot of junk items that don't constitute a very in-depth follow-up to the national news." As well, Rains said that television is beginning to make newspapers less conspicuous about their news coverage. "There is a tendency," said Rains, "to regard news as just another form of entertainment. The drive among people to be well informed does not appear to be any stronger in Cana-

da than it is in the United States."

Meanwhile, critics saw more evidence of CTV's potential for influencing television last month when Michael Gartner, an influential news newspaper editor who also served as a consultant to CTV Today, was chosen to succeed



Friedman announced that

Lawrence Grossman as president of CTV's news division. Still, despite the apparent threat to TV news, Americans are likely to find more—rather than fewer—news-related programs being aired on network TV in the coming months. Despite last week's settlement of the 1990-day television writers' strike, it will require some time before new entertainment programs can be produced. As a result, the networks will partly fill the gap with new and expanded news programs until just before Christmas. The combined diet of news and public-affairs programming could even via converts just as CTV Today's *The Television Show* makes its controversial debut.

—MARK THOMAS with WILLIAM LOWMYER in Washington

An end to screen wars

The effects of the U.S. scriptwriters' strike were becoming steadily obvious. Last week, material was so scarce that the producers of NBC's *Late Night* had to cancel the show. The situation was reported in a "501-w" segment, taking cameras into the program's control booth where a crew member held up snippets of anonymous people. For his part, remarked a rural letterman, the mangled end of the strike was coming home too soon. In fact, on Aug. 3, negotiators for the 8,000-member Writers Guild of America (WGA) reached a tentative settlement with the representatives of the Alliance of Motion Picture and Television Producers, signalling the end of a bitter, 28-week-old strike. The dispute, the longest in U.S. film and TV history since the WGA's 22-week walkout in 1980—has caused widespread layoffs in the entertainment industry and delayed the start of the new fall TV season. So clear vision emerged from the conflict, which was expected to end formally with a membership vote on Aug. 7. Said Ed Rezman, co-chairman of the WGA negotiating committee: "We wound up with less than most of us hoped for, but it is

the first improvement in 18 years."

Executives for the major production studios hope to begin submitting scripts and resuming full operations, although not immediately. Said Kim LeMaster, president of CTV Entertainment: "I do not anticipate anything being in production before six to eight weeks." LeMaster is among to have

A settlement in the 22-week-long screenwriters' strike means that U.S. TV networks can begin salvaging the fall season

new situation comedies—and new episodes of such returning series as *News* and *Roseanne*—on the air by late October. Meanwhile, ABC Entertainment president Brandon Stoddard has said that his network expects to premiere most of its fall schedule close to the mid-November air date of its 18-hour mini-series *War and Remembrance*. In the meantime, most networks will resort to a

variety of non-planning programming—including reruns and expanded news coverage—until the fall shows are ready.

For its part, the writers' guild will exercise greater creative control over scripts but did not fare as well financially. One major reason for the strike was that the producers wanted to roll back residual payments for one-hour shows sold into syndication after their original network runs. The formula in the new contract links the fees to the strength of a show's sales instead of paying a fixed amount. Writers had been getting about \$19,000 in residuals for a one-hour show. Now, they stand to get as little as \$10,000 or as much as \$29,000, depending on the show's popularity in syndication.

Clearly, the strike has taken a significant toll. Based on the deal, the WGA is under considerable pressure to settle from a splinter group called the Writers' Coalition. And Paul Kagan Associates, a Carmel, Calif., communications consulting firm, is predicting a 16-per-cent drop in prime-time network viewing this fall. Like one long, strenuous sitcom pilot, the fall season is shaping up to be no laughing matter.

—PAMELA YOUNG with ANNE GREGOR in Los Angeles

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Putting flamingos in their place

By Charles Gordon

In Ottawa, the going rate for putting 40 plastic flamingos on somebody's lawn is \$45. For that, the lucky soft also gets a sign carrying 40th-birthday greetings and the phone number of the flamingo company, plus a Polaroid snapshot of the festive scene.

Flamingos are available for subsequent birthdays as well, in case the lucky soft wants to make a tradition of it. And it is the most popular, given the evidence of city lawns and swimming that people are not using flamingos to be about their age. Fifty and 60, although less common, are also in evidence.

On any given day, the city, the other cities, is a farm of pink flamingos, demonstrating, among other things, that we all have a sense of humor—and it's the same one.

If alien UFO-bots are looking at us from outer space, they will note the changes. Large green forests are disappearing, replaced by smaller pink ones. An odd thing, and odder still is that the number of trees in each pink forest is often divisible by 10.

We are having great fun down here, celebrating our birthdays. Turning 40 is a growth industry: most entire factories will be devoted to it. Not, of course, parts of staves are in book chains, the books on sale still outnumber the greeting cards commemorating turning 40, although the margin is shrinking. And many of the books, it must be remembered, are about turning 40.

What with the books, the greeting cards, the flamingos, the T-shirts, sweatshirts, baseball caps and necky sweat suits, the turning-40 industry means enormous amounts of revenue. Think what good could come out of it if some of that revenue were diverted to useful purposes.

What we are talking about is a tax on dumb spending. Call it the Flamingo Tax. As a concept, the Flamingo Tax goes beyond the idea of a luxury tax but is not inconsistent with it. The idea behind the luxury tax is that if someone is stupid enough to fork over \$50,000 for a Hummer or \$100,000 for an automobile, some agency should step in, take some of that money off his hands and spend it wisely.

The Flamingo Tax would work the same way. Forty-five dollars spent on Third World development, feeding homeless Canadians or saving the

green forests would be infinitely more useful than \$45 spent on covering some unrespecting soul's lawn with flamingos. So this agency—ideally a nongovernmental one, for reasons to be mentioned below—would step in and say: "You want to spend \$45 putting flamingos on lawn, fine. But first, give us \$45 too." That way, the green forests would expand again and the pink ones might divide.

Saving the green forests, fostering Third World development and feeding homeless Canadians will be a slow process \$45 at a time. But fortunately, there are bigger bills to be taken. The streets of Toronto are full of gigantic white limousines. The people inside, stuffing at the outside world through window shades, could easily pay the Flamingo Tax. If they can't, they have no business being in gigantic white limousines in the first place.

People living in cardboard boxes in

The government has not yet realized that the turning-40 industry, and other human foibles, are prime income producers

other parts of Toronto would think them far from generous. And if one day the gigantic white limousines vanished from the streets of the city, many sources of Flamingo Tax revenue would remain. In the same city, corporations exist whose sole purpose is to assist enthusiastic parents to spend \$50,000 for birthday parties for their teenage children. A double-breasted Flamingo Tax would be levied there, since as the corporations, once as the parents. Think of the magnitude that would buy in some dry and hungry land.

Once the white limousines and the \$50,000 birthday parties have been eliminated, the Flamingo Tax can be imposed on 200-horsepower motorboat engines, car telephones (unless the owner can prove that he is a plumber) and any money at all spent on attending the Olympic Games to any Canadian city.

Only some can be diverted to good causes by taxing clothing for pets, or, well as some of the more exotic snack food purchased for Canada's growing cat population. The Flamingo Tax, in

fact, may be all that stands between us and cat salad.

Certain occupations are more Flamingo Tax-amenable than others. Of particular relevance here are consultants who charge money to tell people what colors they should wear or what breed of dog would be ideal for their particular lifestyle.

The Flamingo Tax can also be used to influence television viewing. Say a Canadian is getting ready to buy tickets and persuade himself on one of the home shopping networks, or preparing to look over a few hundred for the home study kit that will enable him to make millions on the real estate market. If he is doing that, he is about to pay lots and lots of Flamingo Tax.

Far from increasing the Flamingo Tax, Canadians show definite signs of being willing to sit still for it. A generous impulse looks within an Ask as to bring canned food to the ball game or the school dance and we will do it every time. Even our willingness to put flamingos on other people's lawns is a sign of generosity. For a good cause, the humblest Canadian will be willing to pay a humble Flamingo Tax.

For example, those little plastic bees for takeout hamburgers don't cost very much. So the Flamingo Tax on each hamburger would be negligible—one cent, perhaps. And since plastic bees are among the things that seem to be causing harm to the ozone layer, increases in world temperatures, the melting of icebergs and the flooding of coastal cities, who would be so silly if they were replaced by sundials?

As clearly demonstrated, the Flamingo Tax can feed the hungry, save the atmosphere, make the waterways more pleasant and get white limousines out of the cities. Isn't the money that we spend on turning 40 well-eliminate poverty and disease and make the desert bloom? Yet somehow, governments refuse to adopt this simple measure. The explanation for that can be found in the speeding estimates of the cost of government, federal or provincial. In imposing a Flamingo Tax on dumb expenditures, government would be taxing itself.

No government wants to do that. Which is too bad when you consider the proposed cost of some of the pink flamingo government, let alone a war machine, for example. Think how many people 38 billion would feed.

Charles Gordon is a columnist for The Ottawa Citizen.



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PEOPLE

Stripper **Alice Ample** never took it off. "I have a 44-inch chest," she says. "I didn't have to go bottomless." Ample, 37, was earning more than \$4,000 a week taking her top off when she retired last fall. "There used to be glamour in it, but now it's a lot of drugs, a lot of child pornography," says the entertainer, who lives with her husband in a farm north of Toronto. There, she

will also like his work. "It's a party place," he says, "and Scottish people are known for their partying capabilities."

In a new movie last-often hit she plays a waitress who is an aspiring artist, but in real life **Kathleen Shue** is an Ivy League. The 36-year-old actress, who stars opposite **Tom Cruise** in *Conduit*, returns next spring to Harvard University, where she is a government studies major. Shue, who also starred in last year's *Adventures in Babysitting*, acknowledges that it is difficult to combine acting and a university program. But she adds, "I can't imagine going up either." And although she says that she was pleased about working with superstar *Cruise*, the assignment was really just another item on her curriculum. Said Shue, "My teachers were probably more excited than I was."



Ample: an ex-stripper exposing *The Born Facts*

completed her autobiography, *The Born Facts: My Life as a Stripper*, which will be published in October. Ample now is trying to set up a program to warn children away from street life. "We have to reach them very early," she says. "By the time they're 14, it's often too late." In strip clubs, adds Ample, children do not stay children for very long.

A play about seven native women with a passion for bingo has become a two-time winner. Last fall, *The Red Shirts* by Toronto-based Cree playwright **Tommy Stinson**, 36, began a successful five-orchestra tour across Canada. And later this month, Highway's newspaper-in-theater comedy will represent Canada at Scotland's renowned Edinburgh International Festival. Highway is confident that Edinburgh audiences

Chinese audiences this month have an opportunity to witness a historic homecoming and to see an acrobatic story told in an entirely new way. Dancer and choreographer **Yang-Yang Fu**, 34, who trained in classical ballet in his native Canton before coming to Canada in 1984, is currently en route to a tour of China with his Toronto-based company, the Pacific Dance Theatre. Fu, now a Canadian citizen, is the first Chinese male invited back to perform in his homeland. The program includes Fu's version of a 3,000-year-old Chinese story, *The King and I*, set to modern

music. Said Fu: "In China, dancers copy what has been done before. I want to show them the new things I have learned."

Television script-writer **Paul Haggis** says that when he was working for his family's London, Ont., construction business in the mid-1970s, his father told him, "You are no damn good at this—you ought to go to Hollywood." As a result, he did. Now 35, Haggis could collect two statuettes at this year's Emmy Awards on Aug. 28. He is the supervising producer of ABC's



Shue, operating under *Cruise* control

horzontopanning, a sophisticated show about yuppies animated in the best dramatic series category, and one of its episodes that he co-wrote is up for a writing award. In all, the show received 16 Emmy nominations. Said Haggis, who earlier wrote *The Love Boat*: "Most of my experience up to this point had been comedy. Horzontopanning was a stretch for me."

Until recently, **Ronny Bartal** was just another rock musician in the Vancouver club circuit. But last month, the lead track from his debut album, *Something To Love For*, climbed into the Top 40. "Life is changing on a daily basis," says the 30-year-old singer-guitarist. Currently, he is on a three-month, cross-Canada tour, and some rock critics are comparing Bartal with superstar **Roseanne Spang**, in terms of both looks and musical flair. And although Bartal insists that his performing style is his own, he acknowledges that he finds the comparison flattering. Says Bartal: "Being compared to Spang is in a lot better than being compared to Luciano Pavarotti."



Bartal: flattered

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Security for a risk-taker

The wise flowed as authors, publishers and reporters chatted amiably in the venerable rooftop bar of Toronto's Park Plaza Hotel. It looked like another book launch for Lester & Deane (L&D), the respected Canadian publishing company of such authors as Graham Greene, Josef Sweigert and John Irving. Instead, 1986 president Malcolm Lester and publisher Louise Deane were there to announce the sale of their 15-year-old firm to Pagurian Corp. Ltd., a Toronto-based multinational-dollar finance and investment company. Both parties refused to discuss the monetary terms of the deal, but their delight was obvious. But Lester: "Publishing has become very capital-intensive, and this new capital will provide the financial base we need." Heirich Cameron, executive director of the Association of Canadian Publishers, told *Maclean's*: "Lester and Deane were pioneers in acquiring separate Canadian rights to foreign books. They have taken big risks without much financial security. Now they have it."



Lester (left), Deane and Christopher Ondaatje: capital

Under the new arrangement, Christopher Ondaatje, president and chief creative officer of Pagurian, will become chairman of L&D, while Lester and Deane remain president and publisher, respectively. Lester, who estimated his company's gross annual sales at about \$2 million, said that

L&D will now be able to originate more projects with high development costs, such as its 1987 *The Abandoned History of Canada*.

Ondaatje, 35, founded Pagurias in 1967 to publish his own book, *The Prime Minister of Canada*, but by 1977 the company's merchant bookings revenues took precedence. He explained, "I've always been a frustrated publisher." For Pagurian, Ondaatje said, the deal is a "first step in getting back into the communications field," but he declined to elaborate.

Ondaatje recounted how he had sought advice about the deal from his "bosom brother," Toronto novelist Michael Ondaatje, author of the 1987 *The English of a Lion*. "There was an awkward pause when I asked him about the degree of my editorial involvement," Christopher Ondaatje recalled. "Then he said, 'Why don't you just leave them alone?'" The financier said that he intends to comply with that advice.

—DAVID TURRIS

Marijuana in mid-life

Marijuana and hashish became popular among many young North Americans during the so-called Swinging Sixties. Now, more than 20 years after such cultural artifacts as love beads and Nehru jackets have passed into history, a recently released study on drug use says that many middle-aged Canadians have retained the illegal cannabis-smoking habits of their youth. According to a survey that the Toronto-based Addiction Research Foundation completed last year, 93 per cent of the respondents between 30 and 49 years of age are still flouting the law—and making criminal mistakes in the process—by using cannabis products at least once a year. Survey coauthor Edmund Adlaf speculated that the number of Canadians—and by extension, Canadians—who are still using cannabis could be even higher than the study's conclusions show. Indeed, Adlaf, a sociologist at the provincially funded foundation, "underestimating of cannabis use is much more likely than overestimating. So the real number is probably higher."

That survey—which was based on



Jenkins: echoes of the Swinging Sixties

interviews with 1,864 Ontario residents aged 18 and older—also found that younger respondents appeared to be turning away from marijuana and hashish. In a 1984 poll, 28.5 per cent of people between 18 and 29 years old acknowledged that they used cannabis at

least once a year. But for 1987, only 10 per cent of the respondents in that age bracket claimed that they smoked marijuana or hashish or at least once a year. Indeed, the number of middle-aged respondents who use cannabis rose—allowing for the poll's margin of error—by 10 per cent during that three-year period. Only a few of the people over age 50 surveyed—9.5 per cent—reported that they used marijuana.

Despite such fluctuations in cannabis use, however, demand for the drugs remains strong. Based on their research, the study's authors estimated that 9.5 per cent of Ontario adults had used marijuana at least once in 1987. Across Canada, in fact, RCMP spokesmen have estimated that drug users of all ages spend about \$5 billion annually on cannabis products—an amount about equivalent half the estimated retail value of all illegal drugs in the country.

Meanwhile, despite periodic campaigns to discourage cannabis use during the past 20 years, the legal sanctions against smoking it remain in force. A simple possession charge could result in a convicted first offender receiving fines ranging up to \$1,000, a jail term—or both. According to foundation drug-policy research chief Patricia Erickson, Canadian judges have

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estimated about 450,000 users an such change since 1985. Erickson, a criminologist, said that first-time offenders are likely to receive absolute or conditional discharges or fines.

Erickson drew these conclusions from a series of interviews that she has conducted with 38 cannabis offenders in Toronto during the past 15 years. She noted that only one-third of those offenders received absolute discharges. For the remainder, a conviction results in a lifetime criminal record, a situation that could bar someone from such occupations as practicing law—or from even crossing the U.S. border.

Despite the threat of such penalties for simply smoking a marijuana cigarette—and renewed scientific concerns about the harmful effects of marijuana use—forensic officials predict that as they grow older, current users will continue drug habits that they acquired as teenagers. A soon-to-be-published series of interviews that Erickson conducted with 188 marijuana and

hashish smokers supports that conclusion. According to Erickson, all the respondents, many of whom were 50 years of age or older, told her that they planned to continue using the



RMP health seizure in Lockport, N.S.; drug demand remains strong

drugs regularly. And the fact that most middle-aged users can rid themselves of their habit in their homes makes them less vulnerable to arrest than teenagers—and less efficient—cannabis users who often must smoke the substances in public.

For one thing, Erickson's research showed simple males who do not have their own accommodation and used the drug at least twice a week have received more than 90 per cent of the possible convictions in recent years. Declared Erickson: "They don't have the privacy to use marijuana." By contrast, none of her interview subjects said that they were concerned about being arrested for smoking marijuana. Although Toronto-based RCMP spokesman Benjamin Jenkins said that police officers might arrest someone who was smoking marijuana in public, he stressed that the RCMP's drug squads encouraged their efforts on large-scale traffickers. For the middle-aged users who form an important part of that illegal drug market, that policy clearly means that they can persist in their habit behind closed doors with relative immunity from arrest.

—JIM COOPER with THOMAS JACOBSON in Toronto

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Five personal odysseys

With the world shrinking daily, the travel book has become less an excursion into the exotic than an intimate form of autobiography. As the last frontiers disappear, it is the voice and the sensibility of the traveller that become important. The current season has produced five travel books that provide glimpses into some of the far corners of the world. Some places figure in more than one book, but each of the authors comes back with a tale that is very much his or her own.

Mary Sherin's *Nothing to Deserve* (Thomas Allen, \$25.95) carries the subtitle *Memoirs of a Woman Travelling Alone*. Here is very much a book about solitude, an eloquent and retrospective account of a year spent in the Mexican town of San Miguel de Allende, with occasional forays into such political hot spots as Honduras and Nicaragua. Her journeys, graphically conveyed, are a mixture of acute discomfort and rich discovery. She has a profound, unsatisfactory affair with a Mexican of Aztec ancestry and spends a disconcerted, drunken evening in the armed

company of one of Nicaragua's military elite. But the real heart of *Nothing to Deserve* is Sherin's growing friendship with Lope Martinez, a mother of six and the author's poor, illiterate neighbor in San Miguel. Martinez's humor and resilience provide the most memorable part of

As the last frontiers disappear, it is the voice and the sensibility of the traveller that become important

Sherin's lonely Mexican sojourn.

By contrast, Vancouver's Robert Hunter, best known as one of the warriors of the Greenpeace ecological movement, appears to have been alone. On the evidence of *On The Sky Zoo and the Art of International Prebending* (McGilland Stewart, \$24.95), he prefers to travel the world

with his drinking buddy, a travel journalist pseudonymously known as Gus, or with his own formidable wife, Barb. Hunter describes how, on a first flight to England, his spouse-filled wine-soaked and transatlantic—bottle snoring drunk. A master of the travel writer's free trip, Hunter, by his own account, loves to bite the hand that feeds him. Descending Munich's Olympic tower is as elevator that holds 189 people, he makes a careless allusion to the Holocaust. Hunter's blenny-eyed view of the world can at other times be sharply funny. But his high-octane prose—full of profanity and lapidary expletives—can be as exhausting as an all-night bender.

For California-based Michael Critchton, travel is the much-needed distraction of an overachiever. By the age of 30, Critchton had graduated from Harvard, married and divorced, been a postdoctoral fellow at the famous Saik Institute, written a best-selling novel (*The Andromeda Strain*) and sold the rights to his first movie. In *Treviso* (Random House, \$24.95), he recalls feeling that he had run out of goals—until he found solace in Eastern philosophy and travel. His book is a peculiarly Californian mixture of travel writing and poetic idiosyncrasy. He records a number of the experiences that adventurous travelers have often sought, including a climb up

East Africa's Mount Kilimanjaro and an encounter with sharks. But he also puts up meditation and hangs out with jazz-chance. Treviso, in fact, is the most frequent personal of the current crop of travel books, an engaging collection of anecdotes by a restless know-it-all.

There is something faintly masochistic about the American writer Paul Theroux, who once wrote about the rigors of travelling by train from London to Japan. He is back with *Riding the Iron Rooster* (By Train Through China) (Bey, \$29.95), his account of an ambitious one-year journey. He sets off from London with a tour group but is soon on his own, aggressively foraging around the world's most populous nation in an attempt to find out the truth about post-Mao China.

Theroux speaks some Chinese and is no respecter of authority. He constantly probes at the abuses that was the Cultural Revolution and remains skeptical about the achievements under Deng Xiaoping. He sees everywhere signs of spiritual emptiness, a void that many have tried to fill with Western-style capitalism. It is in Tibet, which the Chinese invaded in 1950, where Theroux's thoughts crystallize. "Anyone apologizing an antinationalist Chinese reform has to reduce with Tibet as a reminder of how harsh, how traumatic and materialistic, how



Hunter high-octane prose, profanity

insensitive the Chinese can be," he writes. *Riding the Iron Rooster* is not just an eye-opening travel book but a brilliant piece of reporting.

Plus love, an Indian-born, British-educated Time magazine correspondent, has attempted something equally unlikely in *Flame Night in Kathmandu* (Random House, \$21.95). Over the course of two years, Iyer spent seven months witnessing Asia in order, he writes, to "find out how America's pop-cultural imperialism spread through the world's most sacred civilizations." Iyer shows the corrosive effect that tourism has had on Bhakti in Kathmandu, he writes "bangles of bright, clean-cut foreigners marching from the Zoo Bazar to the Third Eye bazaar and back." Wherever he goes, he befriends underage—nude, bar girls and richa's lovers—and gives an insight into the lives of Asia's survivors. But rather than expressing alarm at the apparent Westernization of the East, he concludes that "every Asian culture I had visited seemed, in its way, too deep, too easy or too self-possessed to be turned by passing trade winds from the West." It is a verdict that the other writers might not agree with—but then, every traveler creates his own reality.

—GORTYRE JAMES

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Of carnal knowledge

ADAM, EVE, AND THE SERPENT
By Elaine Pagels
(Random House, 178 pages, \$24.95)

Sex has always been a thorny problem for Christianity. Since the religion's early stages, its doctrines have included an antinatalist strain—a sense that sexual love is at best a necessary evil. And although most contemporary Christians—and indeed non-Christians—reject that view, it still lingers at the conscience of many. Elaine Pagels's new book, *Adam, Eve, and the Serpent*, tackles the complicated question of where that sexual pessimism comes from. The Princeton University professor of religion traces its origins partly to the theological quarrels of the early church, when learned monks argued brilliantly and bitterly over what nature of human nature should prevail. On the surface, the philosophical half-splitting of long-dead ecclesiastics does not sound very appealing. But Pagels, the winner of the 1988 National Book Award for *The Gnostic Gospels*, has the intellect and the writing skill to turn their disagreements into a fascinating drama.

Christian beliefs about sex derive from the pre-Christian biblical tale of Adam and Eve. As Pagels points out, the myth can be interpreted in myriad ways. Some early Christians supported their desire for marriage and children by stressing God's rejection to Adam and Eve to be fruitful and multiply, and fill the earth. But some of the church's most powerful voices claimed that the famous apple that Eve offered Adam symbolized carnal knowledge. In other words, the first couple was expelled from Eden because they dared to become sexually aware.

The greatest early champion of that puritan, antinatalist approach was St. Augustine, a monk who lived in the late fourth and early fifth centuries. As Pagels shows, his personal history was critically important in shaping beliefs that eventually dominated the church's policies on critical areas. As a young man, Augustine had

freely indulged in the sexual licentiousness common during the declining years of the Roman Empire. By his own admission, he was ruled by an insatiable lust. Yet, when he converted to Christianity, he became consumed with triumphing over the temptations of the flesh. He valued celibacy more than married life and emphasized the essential depravity of the human race.

Adam and Eve's disobedience, Augustine argued, initiated their descendants' forever after with what he called "original sin."

According to Pagels, that view eventually prevailed in the church because it reflected some deep truths in human nature. The sense of guilt, as she points out, is universal, and Augustine was merely emphasizing what was already there. But in doing so, he drastically

devalued the body and its pleasures. Many readers of Pagels's lucid and entertaining book may find it difficult to forgive him for that legacy.

—JOHN DEMBOWE



Pagels: sex and guilt

FILMS

The stormy debate over Jesus and sex

In Hollywood, there is no star bigger than God. And the biblical epic now screens the shot answer to the religious essence of the big screen. Screened the last Dec. 10 in 1973's *The Ten Commandments*, and again in the 1996 remake. Each time, the only reaction expected from the audience was awe. But with this week's premiere of director Martin Scorsese's *The Last Temptation*

United Church of Canada, attended the Manhattan screening. "I think it's a good-quality movie," he said. "It presents an image of Jesus that contradicts the idea people have of him as a strong, decisive, visionary, charismatic leader. Instead, there is a constant struggle between what he thinks God wants him to do and what he wants to do himself." But evangelical leaders, who feared

such a portrayal, took offense at any suggestion that he had depicted Christ as a sinner. "The frustrating thing," he said, "is that 90 per cent of the people haven't seen the movie—and never will."

For Scorsese, 48, the righteous storm over the movie is the final tribulation in a long, hard—and intensely personal—struggle to bring a biblical epic to the



Last Temptation mob scene: many evangelists are prophesying that God may block the movie's release

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down invitations to see the movie, have launched an unusual battle war against its release. Bill Bright, founder-president of the California-based Campus Crusade for Christ, offered Universal Pictures \$25 million to buy the movie—with the added intention of burning all copies. Meanwhile, demonstrators have picketed the house of NBCUniversal chairman Lee W. Mikesell. And last week, a group called Concerned Women for America placed an advertisement in *The Wall Street Journal* asking shareholders to withdraw their shares in NBC Inc., Universal's parent firm.

At a screening in New York City last month, Scorsese showed a rough cut of the movie to about 30 North American church leaders. The movie drew mixed reviews from the clerics, but none denied support for the evangelist's boycott calls. Rev. Randy Naylor, general secretary of communicators of the

screen. The director's religious upbringing date back to his childhood. Of Roman descent, he grew up in a part of New York's Lower East Side that he says was "a brutal society based on greed and run by organized crime consisting with the church." Scorsese turned to the church. He had dreams of becoming a missionary priest, and his parents enrolled him in a New York missionary school at age 14. "But I started to daydream a lot," he recalled. "So I started to see girls you fall in love without ever touching them."

Before the war was out, he was expelled for bad grades and moved to a local high school. Later, at New York University, he began studying film and embarked on his directing career. But he remained fascinated by the gospel. After graduating in 1964, he wrote a script for a Jesus story, which he

planted to this is neo-real style in contemporary New York, "with the Crucifixion taking place on the East Side docks." But after seeing *Pier Paolo's* silent film *The Gospel According to St. Matthew* and being very moved by it, he says, his own project became redundant.

Then, while the movie director was filming *Mezzogiorno* in 1972, actress Barbara Hershey gave him a copy of the novel by Karamazov (who died in 1977). "You must make this movie," she said, "and when you do, I've got to play Mary Magdalene." Scorsese recalls that he became fascinated by the book's notion of a Christ who is "fairy-like and fully human, with feelings of man, love and greed, this god who came down to earth and suffered just as we suffered."

During the 1970s, Scorsese went on to make tough films about secular torment and redemption in urban America—*Memoirs of a Woman of Pleasure*, *Taxi Driver*, *Raging Bull*. Having become one of the world's most admired directors, he persuaded executives at Paramount Pictures Corp. in 1982 to let him make *The Last Temptation of Christ* with Auden Quins (divorcing) starring as Jesus. The sets were built on location in Jerusalem, but as rumors about the script spread through the United States, Paramount was flooded with letters of protest from Christian fundamentalists. Studio executives also concerned about the movie's escalating budget. Four weeks before shooting was to start, they cancelled the film. Scorsese says that he did not complain. He added, "It was as if God were telling me I wasn't ready."

After making *The Color of Money* with Paul Newman, Scorsese revived the project with backing from Universal. He ended the same supporting cast—including Harvey Keitel as Judas, Hershey as Mary Magdalene and Harry Dean Stanton as Saul/Paul. But William Dalby, fresh from his Christ-the-death scene in *Platoon*, would star as Christ. And Scorsese teamed up with *Time* magazine writer Jay Maguire to fine-tune the script by Paul Schrader, who wrote *Taxi Driver*.

But Hollywood was not going to make it easy. Heretofore cautious at studio level, limited the cost to \$8 million—less than half the *Paramount* budget. The director faced the daunting challenge of creating a 2½-hour epic on a shoestring. The stars worked for token



Dalby and Scorsese: Jesus as a person with human frailties and sexual desires

scale, and Scorsese drew no salary. With his fourth wife, Barbara de Fina, producing, he recalled, "The shooting was as tightly controlled as a communist operation. There was just a sense of getting it done and staying alive."

In his youth, Scorsese says, he and his crew watched such outrageous biblical epics as *The Robe*. But with such a tight budget, he had to compress his epic to an intimate scale, without the grandiosity of out-of-thousands. The location was moved to Morocco. And during the

For the Scorsese, we only had five shooting days. I had to do the old low-budget trick of photographing the same ones over and over. I got very depressed."

But he persisted. And the result—regardless of its theological merits—is a technical triumph. Sweeping ancient Israel in the sands and villages of Morocco, Scorsese invents *Temptation* with an archeological wealth of Arabic, Roman and African scenes. He also depicts the brutal reality of human crucifixion in excruciating detail, an aspect of the film that is "helpful," according to the United Church's Naylor. "We tend to gloss over the physical reality of the cross," he said, "passing over Good Friday and moving right on to Easter Sunday." Added Naylor: "Some people say that Universal is reverting Christ as a child. But that's just sense, where he decides to stay on the cross, is a very powerful statement of the Easter message."

Scorsese realizes that he has taken a major artistic risk. "When the whole character is God," he said, "you're definitely not as a 'limb.' But the audience will embrace or reject *Temptation* as a movie, not a sacrament. And the script's final words, spoken by Christ on the cross, could easily refer to Scorsese's personal mission: "It is accomplished."

—BRIAN D. JOHNSON



Dalby: proposing a strict duality between spirit and flesh, heaven and earth

Water into fine wine

THE LAST TEMPTATION OF CHRIST
Directed by Martin Scorsese

Because of the public controversy, it seems impossible to judge *The Last Temptation of Christ* as a mere motion picture. Fundamentalist Christians call it blasphemous; its maker, Martin Scorsese, calls it a personal project. And it is a movie that weds the talent of a brilliant filmmaker to a story more ambitious than Hollywood itself. *Temptation* is the most impressive biblical movie epic ever. With a relatively meager budget of \$8 million, Scorsese has pulled the best of Hollywood actors and performed a water-into-wine miracle on screen. Visually breathtaking and intellectually scorching, the movie represents an extraordinary feat of filmmaking. But what it attempts is as ambitious that, in the end, it is a gloriously imperfect masterpiece.

In the early scenes, William Dalby (*Platoon*) portrays Jesus as a manhood who admits to being a liar, a hypocrite and a coward. He is highly reluctant to serve as a messiah. Tempted by voices and visions, he wishes God would find somebody else for the job. But after his vigil in the desert, he emerges as a wild-eyed messiah—a revolutionary leader armed with the wrath of God. However, his recitations, and his basic wealth to lead men, leave his followers in a state of almost cosmic bewilderment: it is easier to identify with the apostles than with Dalby's unstable and unlikable Jesus.

In light of the controversy surrounding *Temptation*—and two millennia of familiarity with the hero's fate—giving away the ending seems to provoke. Most of the film has focused on the final half-hour desert sequence, in which Christ steps down from the cross and marries Mary Magdalene (Barbara Hershey). But, says, makes a family and grows old. Resented a twister by Judas, Christ finally rejects the fantasy—and makes up happy to be back on the cross. As Magdalene, the exquisitely talented Hershey is marvelous. But although her love scene with Jesus involves nudity, it is not graphic. And its only remotely likely impact on the supernatural presence of an angel, played by a young girl!

Ultimately, the concern about the portrayal of Christ being too soft is beside the point. The main focus of the movie is on his relationship to men, not women as Scorsese portrays Christ not just as a messiah, but as a guy. Paul Schrader's script is a story of male bonding between Jesus and Judas (Harvey Keitel), his best friend. The plot offers a disilluminating twist on the gospel by depicting Judas as the most loyal of the disciples by trying to back out of the Crucifixion. Jesus betrays Judas rather than the other way around. Essentially, Scorsese has created a high-minded buddy movie.

Keitel's red-haired Judas, the revolutionary prophet, almost made the show. With a delightfully unbridled Brooklyn accent, he craves to be the quick of Christ's human weakness. On the whole, the casting chooses biblical stereotypes

W. remarkable fashion. Harry Dean Stanton leads Saul/Paul the area of a good-or-bad deal. David Byrne's Pontius Pilate is active and unbridled. And the over-the-top performance of John Cazale (*Shogun*) as Herod is like a piece of meat. It is also refreshing to have the apostles questioning the religious claims in a New York City bar.

Aside from embracing the gospel with some provocative fiction, *Temptation* is also an account of a full-blown Christian journey, covering the New Testament's greatest hits. Many of the miracles are literally portrayed, and when Jesus raises the decaying Lazarus from his tomb, Scorsese even indulges in a dash of horror-movie shocks. But, despite the movie's deeply American style, it evokes an astonishing sense of biblical time and place. The slow, mesmerizing sweep of Scorsese's camera, combined with the desert drama of Peter Guber's dramatic sound track, evokes an epic of biblical times with biblical style. It is a world where politics and religion reign as inseparable passions.

But *Temptation* strongly has a more powerful effect on the audience than on the emotions. A wonderfully powerful movie, it raises more questions than it answers. It will upset some Christians. Magdalene, not Christianity—and feminism—may object to its debauched male philosophy, proposing a duality between spirit and flesh, heaven and earth. But for all parties, *Temptation* is well worth the moral risk.

—BRIAN D. JOHNSON

MACLEAN'S BEST-SELLER LIST

FICTION

- 1 *The Name of the Wind*, Patrick Rothfuss
- 2 *Topkapi*, David I. King
- 3 *Alaska*, Michael Chabon
- 4 *Book of David*, John L. Hill
- 5 *The Book of David*, David I. King
- 6 *Predestination*, Michael Chabon
- 7 *The Transcendentalist*, David I. King
- 8 *People Like Us*, David I. King
- 9 *Maclean's Best-Seller List*, David I. King
- 10 *The Confession of the Kinsmen*, Michael Chabon

NONFICTION

- 1 *A Brief History of Time*, Stephen Hawking
- 2 *Talking to the Sun*, Michael Chabon
- 3 *Trump: The Art of the Deal*, Donald Trump
- 4 *Thriving on Chaos*, Peter Dinklage
- 5 *Maclean's Best-Seller List*, David I. King
- 6 *NY Whiter Olympic Games*, Robert M. Johnson
- 7 *Darkness of Winter*, Michael Chabon
- 8 *The Wizard History of Canada*, Michael Chabon
- 9 *Swim With the Sharks Without Being Eaten*, Michael Chabon
- 10 *Four Notions*, Michael Chabon

(1) *Predestination*, Michael Chabon

(2) *Topkapi*, David I. King

Going home for one big party

By Allan Fotheringham

On the whole, family reunions are preferable to school reunions. There are no competing expectations. No comparison of career routes and no one checking (and chiding about) how fat the eldest beauty has become. Family reunions are actually worst reunions in that every five years or so the clan gathers, warts and all, for a lot of laughs and a lot of family and a lot (especially of food).

This particular family reunion I happened to stumble upon involved some 160 (of the 190 invited) progeny of the late of John Clarke, who farmed outside Heerne, Sask., and fathered 11 children. Their offspring could populate most of the Northwest Territories. In other parts of society, there is pressure on you to conform, or to succeed, or to be frank, or to be sensitive. At Clarke family reunions the pressure is on you to eat.

University students from Vancouver who are into "gynesis" at the trendy Granville Island restaurants stagger away from the table glassy-eyed and are given approximately three hours before the next lot of vittles is thrust upon them. The alcohol attack in such you stick out. It is good the unreelers happen every four or five years or so. It takes that long to renegeat the beltline.

Katherine, whose husband claims she has never thrown out a piece of paper in her life, is the scrappiest exemplar of the festive mood. Dennis, who has the best memory, falls as a navigator on the flat prairie. Brent has the best laugh. Erik indulged in black humor before Woody Allen was born.

There is a "game" speaking of. These games were not described as games. Hogartian feats were not described as games. Nor should Clarke's growing boards be described as games. Three "muscle" of bent, topped off in three, summering out in a barbeque made up of a bifurcated all barrel. Five massive

torques in a similar manstrophy. Only 20 lb. of charcoal to do the deed. The stomach staggers into the night, under the trees, as the hayjo planks.

Russell, being a rugby player, sings fifty rugby songs. All rugby players sing fifty songs. The generation of the Clarks, raised in the Depression when you had to make your own entertainment, can play anything, on almost any instrument. No one, with the possible exception of Edna on her violin, ever had any lessons. The next generation of Clarks can sing anything, some of it usually printable.



Jack has the biggest hands, remembering meat hooks. Lloyd and Ruby celebrate their 50th anniversary. They belong to three skating clubs in Ontario, so they can skate three times a week. Jim has the best angle, although it is rivaled by the father. Lloyd Heineke has great taste in clothes.

There is the football game, not a pretty sight. It is not a scene for accountants or lawyers. Vaughn, who is the largest, does not regard it as a game but as war. This is football played as rugby, sans pads, filled with beer and horse feet. Vaughn falls on a lot of people. It is why the city boys among the Clarks can be glad these things occur only every five years.

Not from Seattle and Jill from Cape Breton, who have scarcely seen a horse, ride two of them into Heerne, to them up in front of the beverage parlor and stroll in, right out of High Noon. Their tale was never discovered. Harvey perhaps enjoys

groundslays more than anyone. Frances is the prettiest. Dora is the best on golfing.

There is a tag of war. The in-laws, being the direct descendants of the lions, up against the outlaws—being those who have arrived by marriage into this assembly at the scene. The local boys surreptitiously tie their end of the rope to a tree and pull heartily with one hand while sipping a beer. The outlaws are innocent in paradise.

Edna still has good wheels. Ruby is still the best dancer. Lee is the most courteous. Allen is the phony. Sam Penn would punch him. Janice has the most interesting repertoire of lyrics between Keeney and Kaniogus. Her husband has the softest shorts.

It's hard to the seal (not to mention calories) to the holiday to have those and four generations basking about in one gathering, counting trying to figure out who belongs to who and whether one can really put with that one or this one, hoping they are far enough blood-related that it seems proper. The golden edicts given, trust to remember the power are try to remember the family tree.

Lloyd (the other one) is best at bungee. Norma is best at smokers. Hank is the most sentimental. Irene is the most discreet. Gwen is a calm in the centre of the storm. Greg has the most amazing mountaineer. Kip has the kamikaze football style. Vaughn tends to fall on his lot. Pat likes to see his feet out the window of a car at midnight. Mike is the top student in Saskatchewan. Doreen and Deanna have more dance trophies than Carl Lewis.

There is a golf tournament, a sorry testimony to the fact that this hairy clan has skipped to such frigidity. There is shoot shooting, one shooting after, and strangely enough no one is killed. The casualties for the week-end are killed by a broken ankle (football), one on a cane (football), one departing by plane in a wheel-chair (tag of war). Plus the waitress. See you in five years.



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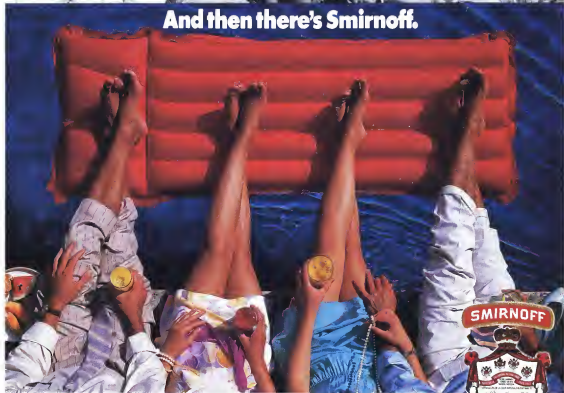


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